CA2 ALZ 1
1973G01
V.1

COMMISSION OFFICE
FILE COPY

ALBERTA LEGISLATURE LIBRARY
3 3398 00206 7188

Hansard

# The Province of Alberta

LEGISLATURE LIBRARY
JUN 14 1973
EDMONTON

IN THE MATTER OF THE PUBLIC INQUIRIES ACT

AND IN THE MATTER OF O/C 290/73, AN INQUIRY INTO THE NEW TOWN OF GRANDE CACHE

---

| | |
|---|---|
| N. R. CRUMP, Esq., | Chief Commissioner |
| T. H. PATCHING, Esq., | Commissioner |
| DAVID GRAHAM, Esq., | Commissioner |

---

| | |
|---|---|
| W. A. Stevenson, Esq. | Commission Counsel |
| D. O. Sabey, Esq., Q.C., and J. G. Martland, Esq. | For McIntyre Porcupine Mines Ltd. |

---

DATE: June 12 & 13, 1973

HELD AT: Grande Cache, Alberta.

VOLUME I
(Pages 1 - 209)

Supreme Court Reporters
EDMONTON, ALBERTA

Digitized by the Internet Archive
in 2026 with funding from
Legislative Assembly of Alberta - Alberta Legislature Library

# I N D E X

## VOLUME I

## JUNE 12 & 13, 1973

WITNESSES:


WILLIAM DONALD GILLIES

Examination by Mr. Stevenson ..... 9
Examination by Mr. Crump ..... 60
Examination by Mr. Patching ..... 61

GRAHAME KENNETH ALLEN

Examination by Mr. Stevenson ..... 62
Examination by Mr. Crump ..... 76
Examination by Mr. Patching ..... 77

GEORGE WILLIAMSON

Examination by Mr. Stevenson ..... 78
Examination by Mr. Sabey ..... 95
Examination by Mr. Stevenson ..... 98
Examination by Mr. Crump ..... 99
Examination by Mr. Patching ..... 100

KELLY JOACHIM

Examination by Mr. Stevenson ..... 101
Examination by Mr. Crump ..... 108

CARMEN LOBERG

Examination by Mr. Stevenson ..... 109
Examination by Mr. Patching ..... 124
Examination by Mr. Crump ..... 125

FRANCIS STEWART COOKE

Examination by Mr. Stevenson ..... 126
Examination by Mr. Sabey ..... 146

PHILLIP ROBERT OAKES

Examination by Mr. Stevenson ..... 170
Examination by Mr. Patching ..... 187

GERALD N. FARMER

Examination by Mr. Stevenson ..... 188

# LIST OF EXHIBITS

## VOLUME I

## JUNE 12 & 13, 1973


| No. | Description | Page |
|---|---|---|
| 1 | Certified copy of Order-in-Council No. 290/73 ..... | 3 |
| 2 | Copy of Commission Issued by the Lieutenant Governor to Messrs. N.R. Crump, Thomas Herbert Patching and David Graham ..... | 3 |
| 3 | Notice and Schedule ..... | 3 |
| 4 | Submission of Board of Administrators .... | 12 |
| 5 | Information Study ..... | 19 |
| 6 | Route Study - Grande Cache-Grande Prairie Highway ..... | 19 |
| 7 | Submission Entitled the Possibility of a Highway Link between Grande Prairie and Grande Cache ..... | 65 |
| 8 | A submission to the Grande Cache Inquiry Government of the Province of Alberta Prepared and Presented by the Grande Cache Sub-Local of The Alberta Teachers Association ..... | 79 |
| 9 | Submission of the Native Area Development Committee ..... | 109 |
| 10 | Submission of the United Steel Workers of America ..... | 128 |

Digitized by the Internet Archive
in 2026 with funding from
University of Alberta Library

https://archive.org/details/ableg_33398002067188

# The Province of Alberta

IN THE MATTER OF THE PUBLIC INQUIRIES ACT

AND IN THE MATTER OF O/C 290/73, AN INQUIRY INTO THE NEW TOWN OF GRANDE CACHE

---

| | |
|---|---|
| N. R. CRUMP, Esq., | Chief Commissioner |
| T. H. PATCHING, Esq., | Commissioner |
| DAVID GRAHAM, Esq., | Commissioner |

---

| | |
|---|---|
| W. A. Stevenson, Esq. | Commission Counsel |
| D. O. Sabey, Esq., Q.C., and J. G. Martland, Esq. | For McIntyre Porcupine Mines Ltd. |

---

DATE: June 12 & 13, 1973

HELD AT: Grande Cache, Alberta.

VOLUME I
(Pages 1 - 209)

*Supreme Court Reporters*
EDMONTON, ALBERTA

# The Supreme Court of Alberta

IN THE MATTER OF THE PUBLIC INQUIRIES ACT

AND IN THE MATTER OF ORC ENERGY, AN INQUIRY INTO THE NEW LOOK OF DRAGONS CAUSE

---

H. R. CRUMP, Esq. — Chief Commissioner

T. H. PATCHING, Esq. — Commissioner

DAVID OBAMA, Esq. — Commissioner

---

M. A. Stevenson, Esq. — Commission Counsel

D. D. Sharp, Esq., Q.C., and
J. C. Mercier, Esq. — For Municipal Corporations Peace Hills

---

DATES: June 12 & 13, 1972

HELD AT: Dragons Cache, Alberta.

VOLUME 1
(Pages 1 - 200)

Supreme Court Reporting
EDMONTON, ALBERTA

# I N D E X

## VOLUME I

## JUNE 12 & 13, 1973

WITNESSES:


WILLIAM DONALD GILLIES

Examination by Mr. Stevenson ..... 9
Examination by Mr. Crump ..... 60
Examination by Mr. Patching ..... 61

GRAHAME KENNETH ALLEN

Examination by Mr. Stevenson ..... 62
Examination by Mr. Crump ..... 76
Examination by Mr. Patching ..... 77

GEORGE WILLIAMSON

Examination by Mr. Stevenson ..... 78
Examination by Mr. Sabey ..... 95
Examination by Mr. Stevenson ..... 98
Examination by Mr. Crump ..... 99
Examination by Mr. Patching ..... 100

KELLY JOACHIM

Examination by Mr. Stevenson ..... 101
Examination by Mr. Crump ..... 108

CARMEN LOBERG

Examination by Mr. Stevenson ..... 109
Examination by Mr. Patching ..... 124
Examination by Mr. Crump ..... 125

FRANCIS STEWART COOKE

Examination by Mr. Stevenson ..... 126
Examination by Mr. Sabey ..... 146

PHILLIP ROBERT OAKES

Examination by Mr. Stevenson ..... 170
Examination by Mr. Patching ..... 187

GERALD N. FARMER

Examination by Mr. Stevenson ..... 188

# LIST OF EXHIBITS

## VOLUME I

## JUNE 12 & 13, 1973


| No. | Description | Page |
|---|---|---|
| 1 | Certified copy of Order-in-Council No. 290/73 ..... | 3 |
| 2 | Copy of Commission Issued by the Lieutenant Governor to Messrs. N.R. Crump, Thomas Herbert Patching and David Graham ..... | 3 |
| 3 | Notice and Schedule ..... | 3 |
| 4 | Submission of Board of Administrators .... | 12 |
| 5 | Information Study ..... | 19 |
| 6 | Route Study - Grande Cache-Grande Prairie Highway ..... | 19 |
| 7 | Submission Entitled the Possibility of a Highway Link between Grande Prairie and Grande Cache ..... | 65 |
| 8 | A submission to the Grande Cache Inquiry Government of the Province of Alberta Prepared and Presented by the Grande Cache Sub-Local of The Alberta Teachers Association ..... | 79 |
| 9 | Submission of the Native Area Development Committee ..... | 109 |
| 10 | Submission of the United Steel Workers of America ..... | 128 |

PROCEEDINGS before The Board of Commissioners at Council Chamber, Town of Grande Cache, Province of Alberta, commencing at 9:30 a.m., Tuesday, June 12th, A.D. 1973.

---

MR. CRUMP: Good morning, ladies and gentlemen, I call this meeting to order. Initially the purpose of this meeting is a public inquiry established under Order-in-Council 290/73 of February 22nd and having as its terms of reference, broadly speaking, to look into the affairs of the New Town of Grande Cache and of those related to it in the company of McIntyre Porcupine Mines Limited.

I think it might be useful to the meeting if I were to identify the Commission and our staff before we commence our formal proceedings. My name is Crump, and I am from Calgary. On my right is Mr. David Graham, Commissioner, also from Calgary. On my left is Mr. Thomas H. Patching, Commissioner, from Edmonton.

Commission Counsel is Mr. W. A. Stevenson, on my far left, from Edmonton. The Executive Secretary for the Commission is Mr. D. B. Harford, who is in the audience, and the Liaison Officer is Mr. J. Richl, also of Edmonton, and he will act as Clerk of the Commission and will accept briefs and exhibits and mark and identify them, Mr. Richl, for the use of the Commission.

MR. CRUMP:(Continued) There are one or two formal matters that must be attended to and I will ask Mr. Stevenson, the Commission Counsel, to first file the Order-in-Council.

MR. STEVENSON: Yes, gentlemen, the first document that I would like to file with you is the Order-in-Council number 290/73, a certified copy of the Order-in-Council establishing this Commission. May that be Exhibit 1.

CERTIFIED COPY OF ORDER-IN-COUNCIL NO. 290/73 MARKED EXHIBIT 1.

MR. CRUMP: And will you indicate the extent of the advertising for this hearing, Mr. Stevenson.

MR. STEVENSON: Yes. I should perhaps add that in addition to the Order-in-Council I have a copy of the actual Commission issued by the Lieutenant Governor to Messrs. N. R. Crump, Thomas Herbert Patching and David Graham and I will file that as Exhibit 2.

COPY OF COMMISSION ISSUED BY THE LIEUTENANT GOVERNOR TO MESSRS. N. R. CRUMP, THOMAS HERBERT PATCHING AND DAVID GRAHAM MARKED EXHIBIT 2.

MR. STEVENSON: I can report that a notice of this hearing over the signature of the Commissioners was published throughout this province in a list of weekly and daily newspapers, which I have a schedule here, and I will file that schedule showing the place where the notice was published. This will be Exhibit 3, the notice and the schedule.

NOTICE AND SCHEDULE MARKED EXHIBIT 3.

MR. CRUMP: And, Mr. Stevenson, would you record the counsel present.

MR. STEVENSON: Yes, gentlemen, representing McIntyre Porcupine, Mr. Sabey and with him Mr. J. G. Martland, both of Calgary; they are representing the company.

The company is the only party that has indicated an intention of being represented by counsel throughout these hearings. There may be other parties represented by counsel from time to time but those are the only ones recorded with me.

MR. CRUMP: Thank you, Mr. Stevenson. I think at this point I should make a few comments on the procedure and operation of this Commission as we see it at this time. We are anxious to hear anyone who has an interest in this case and that falls within the terms of reference of the Commission. Counsel, Commission Counsel has been instructed to see that we keep the proceedings within the terms of reference.

The terms of reference were, of course, published with the notice of the hearing and are also available in the copies of the Order-in-Council. Broadly speaking though, as I see it, we have been instructed by the Government to generally assemble and clarify the historical development of this community, to identify past and on-going commitments of the Government and the company, to look at the viability of the community and of the company

MR. CRUMP:(Continued) as it relates to the community, and to make recommendations to the Government for future action in the light of our findings.

Now it is not going to be possible, I don't think, to deal with each of these problems in the terms of reference in isolation. Evidence will cut across different problems, because to do otherwise there are so many facets to the terms of reference that it would be a great inconvenience to witnesses particularly to try and deal with each of the problems in isolation.

One point I think should be mentioned at this stage and that is that there is a section number 4 in the terms of reference which have been deleted from the advertisements. This deals with the opening of number 9 mine at McIntyre Porcupine Mines. The application for the permit was made by the company some months ago and in view of the lead time required to open a property of this size the company asked The Energy Resources and Conservation Board for a decision by April 15th, and the Energy Resources Board held a hearing on that application in Grande Prairie on April 3rd.

The first permit was issued by that Board on April 17th, giving the company the right to go ahead. There will be a further qualifying permit which will be issued in July with the various conditions attached, so that this essentially made Section 4 of our terms of

MR. CRUMP:(Continued) reference redundant. The Commission however did advance an opinion to the Minister, with the slight information that we had available to us at that time; and as the hearings progress we shall certainly be looking at the subject further from the viewpoint of this Commission.

Now Commission Counsel made available to all of those wishing to make submissions a memorandum on procedures, and for the record I will just summarize this: firstly that any person wishing to make a submission must advise the Commission Counsel in advance of the hearings. Any person or group making submissions or representations will be asked to do so through testimony under oath. Those making submissions may either do so standing or be seated, as it suits their convenience.

The Commission is not bound by the Rules of Evidence and the witness may therefore produce written material or submissions, and relate hearsay evidence when specified as such. All are witnesses for the Commission and will be examined as to their evidence by Commission Counsel. Commission Counsel will be available before the actual hearings to discuss the presentation to be made by the witness. Where written submissions or other documents are to be presented they must be provided to Commission Counsel at least one week in advance of the hearings at which it is to be presented.

Now at this point perhaps I

MR. CRUMP:(Continued) should make note of the delay that has ensued, because despite this delay we are still receiving submissions the night before, and there has been a great deal of delay in submitting briefs. As you recall these hearings were proposed to commence here in Grande Cache on May 29th and to commence the major portion of the hearing in Edmonton on June 11th. Just a short time ago the Federal Government appointed Commission Counsel for McIntyre Porcupine to the Appellate Division of the Supreme Court of Alberta which took him out of these proceedings, and the new counsel, Mr. Sabey, is under considerable handicap coming into the case at this stage of the game, and the Commission decided that in all fairness we should have at least a two weeks delay, which is perhaps not very much but with the itinerary that we have, or the timetable that we have, we felt that we should get on with this portion.

Any witness or interested party may be represented by counsel. Counsel must advise the Commission Counsel in advance as to their intention to appear and the phases or aspects of the inquiry in which they wish to participate. Witnesses will be examined firstly by Commission Counsel and then they may be questioned for purposes of clarifying their evidence by their own counsel and then by other counsel, subject to re-examination by Commission Counsel.

We propose that the hours of sitting will be 9:30 a.m. to 1:00 p.m.; this will permit the

MR. CRUMP:(Continued) preparation of transcript by the Court Reporters and enable those engaged in the hearings to prepare for the ensuing days of hearing. I would also propose that at about 11:00 o'clock we have a fifteen minute break, and I would ask you to come back to the Courtroom promptly on the expiration of the fifteen minutes.

Daily transcripts of the evidence will be prepared and persons requiring transcripts will be expected to make their own arrangements with the office of the Chief Court Reporter in the Law Courts at Edmonton. The Commission will try to schedule witnesses to make the best use of the time available. It must be borne in mind that there are physical limitations to absorbing so much reading matter, and when the briefs are submitted late this compounds the difficulties. However the Commission will do its best to meet the needs of those wishing to be heard, always keeping in mind, of course, the terms of reference. Mr. Stevenson.

MR. STEVENSON: I should add that if there is anyone in the community who believes that they have evidence that is important and relevant to the Commission's terms of inquiry that if they will contact me we will see if their evidence can be heard, even though they have not given advance notice, so if there is any point that arises here we will accept inquiries with respect to the possibility of giving evidence and we will try to hear any relevant evidence that comes forth in this town.

MR. STEVENSON:(Continued) The first witness that I want to call before the commission is William Donald Gillies on behalf of The Board of Administrators of the New Town of Grande Cache, and Mr. Gillies, you may stand or be seated as you prefer.

MR. CRUMP: Mr. Graham, will you swear the witness, please.

WILLIAM DONALD GILLIES, sworn, examined by Mr. Stevenson:

MR. STEVENSON: Gentlemen, I should point out that other members of the Board are present. Mr. Gillies was nominated as spokesman for the Board, at our request they put forward one witness. There are other members here and in the event that questions arise which Mr. Gillies cannot answer he will then take counsel from the other members of the Board present, and if necessary we will call them.

MR. CRUMP: Thank you.

Q MR. STEVENSON: Mr. Gillies, you are the Vice-Chairman of the Board of Administrators of the New Town, is that correct?

A That is correct, sir.

Q And how long have you lived in the Town, yourself?

A Since September 1st, 1969.

Q And the Town, I take it, is administered under The New Towns Act?

A That is correct.

Q How many Councillors, or members of the Board, are there?

A There is a Board membership of seven.

Q And how many of those are elected?

A Six.

Q The seventh member, how is he appointed or elected?

A Mr. Len Gurel is with the Department of Municipal Affairs.

Q And he is appointed?

A Yes.

Q Who is the Chairman of the Board, as you are the Vice-Chairman?

A Mr. Len Gurel.

Q And how was Mr. Gurel chosen as Chairman of the Board?

A By vote amongst the members at large.

Q So he is an appointed member of the Board and elected as Chairman?

A That is correct.

Q I might advise the Commission that Mr. Gurel will be giving evidence in Edmonton as well, dealing with matters that have been raised with respect to the Department of Municipal Affairs.

I take it, Mr. Gillies, that the New Town is now what is called an Urban County?

A That is true.

Q What does that involve, what is meant by that designation?

A I think probably -- could I introduce the other Council Members of the Board of Administrators?

MR. CRUMP: Yes, please do so.

A Mrs. Mary Stephenson and Mr. Len Gurel, and that is all that are present. Probably for a better explanation than I could give I could call on Mr. Len Gurel.

Q MR. STEVENSON: For our purpose if you want to give your explanation of the operation of an urban county in the sense that it is a combined operation, that will be sufficient now.

A Well as far as my understanding of the urban county, the school board and the municipal board are -- act as one separate board and our Board of Administrators act for both in this area.

Q That is essentially administer the affairs of the school district as well as those of the town?

A That is correct.

Q Are their boundaries co-terminus?

A No, the municipal boundaries are not co-terminus with the school boundary.

Q The school boundary is larger, isn't it?

A Much extended.

Q I believe also, Mr. Gillies, that you personally are employed by McIntyre Porcupine?

A Yes, I am the training officer at McIntyre Porcupine Mines Limited.

Q And you also have some business interests in the town itself?

A Yes, I have two retail stores known as Sports Cache Limited and the Fabri-Cache.

Q The Board of Administrators prepared a written submission for the Commission, is that correct?

A Yes.

Q And is this a copy of that submission?

A Yes.

Q May we enter that as the next exhibit, which is Exhibit number 4.

SUBMISSION OF BOARD OF ADMINISTRATORS MARKED EXHIBIT 4.

Q MR. STEVENSON: I understand, Mr. Gillies, that there is a summary, if you like, or an outline, of the Board of Administrators position in that brief, Exhibit 4, which you would like to read to the Commission?

A Yes, we would appreciate the opportunity.

Q Yes, go ahead.

A " The following submission made on behalf of the citizens of Grande Cache through its Board of Administrators contains certain recommendations for the consideration of the Government of the Province of Alberta in formulating a policy to assist Grande Cache to continue as a viable community.

Our Community which was established in 1966 by Order in Council was created, and continues to exist, because of the reserves of low volatile metallurgical coal under lease to McIntyre Porcupine Mines Ltd.

1-HA-12
William D. Gillies - Stevenson Ex.

A (Continued)

" The Community's growth since that time had been steady but at a significantly lower rate than that predicted by the Provincial Planning Board in its report and recommendations on New Town status, August, 1966, which projected a population of 5,000 in 1973. On December 31, 1972, an official census recorded 3,580 citizens or approximately 70 percent of the projection.

McIntyre Porcupine Mines' decision to consolidate their operation and close number five mine for economic reasons resulted in the official layoff of 62 staff and 143 hourly paid workers. The inevitable confusion in the aftermath of the announcement created much anxiety in the Community and concern for the future of underground mining in the Grande Cache area. This resulted in a substantial number of voluntary terminations over and above those affected by the layoff. These, coupled with the resultant layoffs in the service industry due to business recession, have reduced our population by about 30 percent to an estimated figure of 2,500.

To assist in community planning, an information study was commissioned by the Board of Administrators and completed on March 22, 1973, a copy of which, with supportive reference material, was submitted

1-HA-13
William D. Gillies - Stevenson Ex.

A (Continued)

"to your Commission's Edmonton Office on May 15, 1973.

An examination of this study reveals the optimism of the Provincial Planning Board and the Provincial Government in their bold plans to create Grande Cache as a model community with extensive and elaborate social and recreational services. An example of the growth that was anticipated is the fact that Grande Cache has 220 fully serviced but unsold lots representing a capital investment of one million dollars with an annual interest charge of seventy-five thousand dollars.

In response to the optimism reflected in the plans of both industry and government, considerable private capital was attracted in the form of small business enterprises. The number and size of these service investments could only be justified if the planned growth rate had been sustained.

The present population and business conditions in Grande Cache are such that neither the homeowner nor the small businessman will be able to support the accrued debt load without assistance. A partial solution to the dilemma could have been realized by granting permission to the Board of Administrators' Annexation Application, but this, in the wisdom of The Local Authorities Board, has been refused. A copy of the application denial

1-HA-14
William D. Gillies - Stevenson Ex.

A (Continued)

"dated April 25, 1973 is attached. Resources and avenues of assistance within the community are now exhausted and the help we need must come from the senior government.

B. COMMUNITY NEEDS

The needs of Grande Cache are readily identifiable, and can be categorized as follows:

1. Increased population.
2. Secondary industry.
3. Economic Stability and expansion of our major industry.
4. Financial assiatance through special grants or a reduction of debt load.
5. Addition to and improvement of Highway 40.
6. Immediate assistance in future economic planning through land use studies, recreational studies,etc.
7. A more equitable ratio between assessable residential and industrial property.
8. Tax relief for the year 1973 or right to budget for a deficit because of the recession in business enterprises.
9. Interim assistance for undercapitalized business enterprises.
10. Improved airport facilities and air services.
11. Reduced freight rates.
12. Social stability within the community.

The Board of Administrators has considered these needs and has identified priority areas which can only be resolved with assistance from the Provincial Government.

1-HA-15
William D. Gillies - Stevenson Ex.

A (Continued)

"C. PROVINCIAL ASSISTANCE

We appreciate that the majority of our needs are common to many communities in Alberta, but in several areas these needs have become acute because of our dependency upon one company and its necessity to severely curtail its underground mining operation.

Our request for assistance is limited to those areas of acute need and the recommendations we make are tangible solutions which the senior government can resolve in a practical manner.

SECONDARY INDUSTRY

1. TOURISM

To view Grande Cache and its surrounding area alone is sufficient to grasp the potential of the area for tourism. A quote from the Monkman-Kakwa Report (attached) gives testimony to this, "This is one of the very few areas suitably located to the populated British Columbia and Alberta Peace River regions, and to the Prince George region, which offers outstanding scenery comparable to the Rocky Mountain National Parks."

The community has the potential and basic facilities to accomodate the tourist but road access is required. The Route Study - November 6, 1972 (submitted May 15,1973) proposes three possible routes. To provide this needed access, we would recommend that the decision to build

1-HA-16
William D. Gillies - Stevenson Ex.

A (Continued)

"the highway following the westerly route through Grande Cache be made immediately with construction to start at the earliest possible date. This highway would not only benefit Grande Cache, but the entire northern portion of the province. Supportive letters from the West Yellowhead Development Council, McIntyre Porcupine Mines, Grande Prairie Chamber of Commerce, Peace River Regional Planning Commission, and other material are attached.

2. FISH HATCHERY

Rocky Mountain Rainbow Ltd. has made application for a development permit to establish a hatchery at Grande Cache which could potentially offer employment to 50 persons (see attachment). We recommend the various concerned departments of the Provincial Government give all the support necessary.

3. FOREST INDUSTRY

Provincial Government assistance to encourage the development and expansion of the forest industry at Grande Cache.

4. FINANCIAL ASSISTANCE THROUGH SPECIAL GRANTS OR A REDUCTION OF DEBT LOAD.

The New Town of Grande Cache has 220 fully serviced lots at a capital cost of one million dollars with an annual interest charge of seventy-five thousand dollars. The debt charges on this and other capital expenditures are disproportionate to our population.

A (Continued)

" We would recommend to the Provincial Government that they remove the principal sum of $1,000,000.00 incurred in the development of our unserviced lots from our indebtedness. Receipts from future sales of these lots would then be made payable to the Provincial Treasury or deposited in a trust account for their disposition.

D. CONCLUSION

It is our understanding that under the terms of reference given to your commision upon its establishment, you will make recommendations to strengthen the viability of our community. We therefore respectfully request that you give serious consideration to our proposals and include them with other recommendations as you see fit to ensure the future of Grande Cache, not only as a base for the coal industry, but also as a major center for tourism.

Respectfully submitted by the Board of Administrators, New Town of Grande Cache, Alberta."

Thank you.

Q All right, Mr. Gillies, we will come back to elaborate on some of the items in that brief in a moment. In support of your investigations, or your submissions, you have presented us with two other documents, that is a Fact Study, so-called Fact Study?

A Yes.

Q And the Highway Route Study, filed by the Department of Highways?

A That is correct.

Q This is the Information Study that you filed with us?

A Yes.

Q Could we mark that as Exhibit 5.

INFORMATION STUDY MARKED EXHIBIT 5.

Q MR. STEVENSON: And this is the Department of Highways Route Study to which you also referred?

A Correct.

Q Mark that as Exhibit 6, please.

ROUTE STUDY - GRANDE CACHE-GRANDE PRAIRIE HIGHWAY MARKED EXHIBIT 6.

Q MR. STEVENSON: How did the Fact Study come about?

A Immediately following the layoff at the mine site itself the community, Chamber of Commerce, and the Board of Administrators were, of course, deeply concerned, and it was realized that we did not have within the community the expertise or the information that we could use to go to government, or go to other agencies and properly present our case, and so it was decided that it was necessary that we have this background information in order to help us plan for the future.

Q The objective of that study then was to obtain what information or advice?

A Yes, and then, of course, the purpose of it was to help us now and in the future.

Q To obtain what information, Mr. Gillies, what are you trying to get?

A Background information as far as the establishment of the community, the potential that the area had when it was conceived, and this is the type of information that we needed, we thought, to be able to form a base to have further studies made.

Q Now I take it that the Town was not the author of that report?

A No, it was done by a firm of consultants.

Q And you are not able yourself to comment on its accuracy or reliability?

A Other than the fact that they are recognized, they are a reputable firm, they were recommended to us by the staff of the University of Alberta.

Q Mr. Gillies, that document has been filed with the Commission and the Commissioners all have copies of it and it forms part of the material that you have made available. I am going to refer to a couple of items in the fact study that affect the Town. At page 139 of the Information Study, at the bottom of the page.

A Yes.

Q There is a statement to the effect:

> "That the basic fact of a fifteen-year coal contract signed with the Japanese is the foundation for financing all public and private development in Grande Cache."

Q (Continued) Now, can you comment on the accuracy of that statement with respect to the public and private financing of the Town and the private sector?

A Well I think there is little doubt that this had to be reflected, the fact that there was at that time a fifteen-year coal contract. It was certainly reflected in the plans for the community itself; the building that we are in here, the Provincial Building obviously was planned with many years use in the future.

I suppose as far as an individual, as a person in the establishment of my two firms, I built my own building and I got financing for it through the I.D.B., and, of course, at the time I discussed it with them, they were interested in the fact that this was a fifteen-year contract, and I am sure it influenced them in the decision to loan me monies.

Q What was the length of the term of the loan?

A Approximately twelve years.

Q What about the Town's financing, is it term financing, long-term financing over any fixed term?

A Yes, it is long-term financing. I think again if I could possibly call on Mr. Gurel to specifically answer that question.

Q All right, we will come back to that, Mr. Gillies. The Information Study also -- and I have tried to refer to the matters that particularly refer to the Town, refers to social problems within the community. Could you tell me

Q (Continued) if those still exist and if there is anything - any remedial action that the Board proposes or can put forward as alternatives for consideration?

A Well we in our submission have listed these as being a need and we certainly feel that the resolving of these social needs you know, are our responsibility within the community but, of course, we need some assistance, the whole area has to have some economic stability before we can meet these needs, but definitely I would say that the social needs are less than they were in the past; many of the problems that we had in 1970, 1971 and into 1972 are not resolved, or partially resolved.

Q Are you suggesting that the ones that are left are based on the economic situation?

A Yes, I think probably it is mainly now what is needed in the assurance that McIntyre will be able to continue and the community will be able to continue.

Q Now the Fact Study also deals in some detail with the relationship between the Town and the Company, McIntyre Porcupine, how would you describe that relationship?

A I believe it has been the decision of the Board of Directors of McIntyre Porcupine Mines not to become directly involved in the actual running of this community. I think they had hoped when the idea of the Town was conceived and the mine was planned that they didn't want the connotation of a company town here, and they purposely, or they certainly

A (Continued) avoided trying to impose their will on the community.

Q And has that carried through?

A Yes, it certainly has, yes.

Q Now to go back, I am moving back towards your brief. What is the present population of the Town, as far as you can tell?

A This is not an official census but we believe that it would be about 2,500 people, with the information that we have, it would be very close to that number.

Q What was it at the beginning of the year?

A 3,580 on December 31st.

Q And what was the total amount of the layoff announced by the company?

A I believe 143 hourly paid workers and 62 staff personnel.

Q Would that account for the decrease in the population in the order of a thousand?

A No, not entirely. At the time of the layoff, as we pointed out in the brief, a number of people left voluntarily in addition to this.

It also seriously affected a number of the smaller businesses in the community, and they were obliged to lay off staff.

Q Has the number stabilized at roughtly 2,500?

A It has stabilized at this point.

Q Is there any anticipation of further decrease?

A No, I would say not. There should be every indication that there will be a gradual build-up again but it is our opinion that it will take many months before it reaches 3,580.

Q Would that build-up be dependent upon the mine?

A At this time with the economic base for the community it can only depend on the mine.

Q Is it correct that the Town's administration is concerned that the economic base remain with the mine?

A Yes.

Q Now Mr. Gillies, you mentioned in your brief that the Town has 220 serviced unsold lots?

A That is correct.

Q And I take it when you say, serviced, you mean that all of the utilities have been put in on a prepaid basis?

A On a prepaid basis, yes.

Q And the approximate value that you put on these 220 lots is $1,000,000.00?

A $1,000,000.00, yes.

Q Is that the Town's cost?

A That is the Town's cost.

Q Can you tell us in general terms how the Town came to have this extent of surplus in lots?

A Through the information that was made available to us through the Planning Report, we used this as a guide through the years, and --

Q Now, you are talking about the Provincial Planning Board's Report of 1965?

A Yes.

Q 1966, August, 1966?

A Yes. This was certainly used in the initial planning for the Town. The Town was laid out with four phases to be developed in that order, phase one, two, three, and four. During the time since the Town was formed in 1966 up until construction ceased the plans for the mine were such that you know, the expansion was in order and as recently as 1972 we felt in the community that the entire phase three would be required, in fact there was tentative plans and consideration that we may be obliged to develop phase four.

Q Are the unsold lots in phase three?

A The majority of them are in phase three, some of them are in phase two.

Q Now when, can you tell me when the planning for phase three, or the commitments for the development of phase three was undertaken?

A I can't specifically state the month unless one of the Board Members can help.

Q Can you give me --

A In 1971.

Q And do you know, Mr. Gillies, on the basis of what information the planning for phase three went ahead?

A It was based partially on a presentation made to us by

A (Continued) Mr. Hislop who is responsible for Smoky River Investments, who are the real estate division of McIntyre Porcupine Mines. There was requirements that they required at that time for their employees, an attempt to give them more stable housing, rather than the trailers that they were obliged to house them in.

Q And what was the extent of the requirement, as you understood it then?

A Initially in 1971 I believe it was 125 homes, I think, that McIntyre required immediately and they were obliged to house quite a number of employees in trailers in phase two and, of course, it was their hope to move these people out of trailers as quickly as they could.

Q And how many lots were in the phase three development?

A Approximately 250 to 300, again I need some back-up.

Q Mr. Gurel and Mrs. Stephenson, would you like to come up to this bench and you could give this information to Mr. Gillies. You can tell Mr. Gillies and he can relate it.

A Mr. Gurel is not sure of the exact amount but he believes about 310 lots.

Q Can you tell me if there is any record of any firm commitment from McIntyre Porcupine, or its subsidiary, at that time, as to the number of lots it required?

A The firm commitment of 125, you know, realized by the purchase and the understanding that probably an additional 80 would be required in 1972.

Q And how many of those were actually taken up?

A I believe about 129, something like that, just about the 125; I am sorry I haven't got the exact figure.

Q All right, and this leaves you then with 220?

A We have 220, yes sir.

Q Now tell me this, Mr. Gillies, you talk about a debt load on this community in the order of $8,000.000.00, is that correct?

A Yes.

Q Is that municipal, or does that include the school indebtedness?

A That includes both.

Q The answer is yes, Mr. Gillies, it includes the school indebtedness?

A Yes.

Q Now, the $1,000,000.00 that is tied up in these 220 lots, what is your recommendation, or, your proposal, that you made to the Government with respect to that?

A That the Provincial Government establish in effect a land bank, which I believe they're interested in doing in other communities, and although probably the Government's intent in most other communities is to take undeveloped lands we would propose that they use these 220 lots to form the land bank for the community of Grande Cache and this would relieve us of our principal investment in the lots and as future sales of the lots were made instead of the receipts going to the Town treasury they would just be passed over to the Provincial Government in any way that they saw fit,

A (Continued) assuming this could be arranged.

Q Assuming there is a market?

A Yes, and certainly there will be the market, but not on the short term.

Q Where will the market come from?

A If the Provincial Government supports us in our application to have the road constructed we believe that we have the potential here for a tourist industry, and this will certainly create other service industries to service industry.

Q Are the taxpayers able to support the entire existing debt load, the annual service charges?

A Not at the present time, not with the population of 2,500.

Q What type of deficit do you anticipate at the present time?

A For the year 1973, although we have cut staff and pared our budget in every way we feel we can, we will have a deficit of approximately $57,000.00 to $58,000.00.

Q And if that were passed on to the taxpayers what kind of an increase in the mill rate would that mean?

A Approximately 8 mills. This deficit would be based on retaining the present mill rate of 79.

Q And if you were to absorb the deficit it would raise that mill rate to 87?

A If we could not deficit finance we would have to raise the mill rate to approximately 87 to balance our budget.

Q Can you give us some idea of the result, that is on the average home in Grande Cache?

A We did have this all worked out as far as -- about $60.00,

A (Continued) 60 for the smaller areas, 60 to $75.00.

Q And do you claim that the deficit is essentially attributable to the extra debt charge for the unsold lands?

A Yes.

Q Is the Town, under its present financing, able to make any repayment of the capital or the municipal portion of its obligation on its present tax rate?

A No.

Q So that under its present financing, and we will have the detailed reports available, but under the present financing the Town taxpayers are not repaying the principal of the municipal debt?

A That is correct.

Q And how is that municipal debt supported, is it a Provincial obligation?

A A series of debentures, they were all New Town advances.

Q Yes. Now, Mr. Gillies,one of the --

A There is one exception there, 54,000 C.M.H.C. debenture, this is for the sewer.

Q Yes, I can record, Mr. Gillies, that the Town's financial statements and accounting records will be presented to this Commission through the Department of Municipal Affairs so that I am not asking you to comment here today. I can also record that the bibliography referred to in the Fact Study, that is the documents referred to in the Fact Study have been filed with the Commission and copies of them are

Q (Continued) available here in Grande Cache with the Town, that is correct, isn't it?

A Yes.

Q So that anyone using that study and wishing to go to some of the back-up material is free to do so?

A Yes, surely.

Q Now in your brief you mention annexation, or an annexation proposal; what was the annexation proposal that the Town made?

A We proposed to the Provincial, or the Local Authorities Board, that the boundaries of Grande Cache be made co-terminus with the school boundaries.

Q And what was the object of that?

A Well to ensure that the boundaries were the same and also it would allow us to have a more equitable base between our commercial assessment and our residential property assessment.

Q What commercial assessment were you looking towards?

A The major industry that would be established in that area, would be McIntyre Porcupine Mines, Alberta Power Limited, and -- well that would be the two major companies.

Q At present those lie without the boundaries of the Town?

A Yes, although in the school district without the municipal boundaries.

Q And as a result their taxes are paid -- the land taxes are paid to the Improvement District?

A That is correct.

Q They are within a Local Improvement District?

A Yes, 16 I believe is the number.

Q Now the bid for annexation was turned down and you have provided us with a copy of the Local Authorities Board's decision as part of your material?

A Yes, we received the denial about the middle of April.

Q Does the Town take exception to any of the fact findings that were made by the Local Authorities Board?

A No.

Q Do you know what the tax revenue would be from the incorporation of the mine side of the operation and the Alberta Power Establishment into the tax base, do you know the effect that would have on the assessment?

A I believe Mr. Gurel would have some --

Q There are some figures given in the Local Authorities Board Report?

A Yes, we, of course, discussed this.

Q Do you now receive funds by way of tax transfers from the Local Improvement District?

A Yes.

Q That is there is some transfer of tax revenue?

A Yes.

Q And does the Town take the position that the incorporation of the mine site and the power station into the town would give them higher revenues than they now receive under the tax transfer from the Local Improvement District?

A Yes, because essentially we are a bedroom community and it would allow McIntyre Porcupine Mine taxes which they are obliged to pay regardless, to go into this community rather than support the I.D. district as a whole.

Q What municipal services would the New Town supply to the mine and power plant if it were within the municipal boundaries?

A Under the terms of the application initially there were to be none. The road to the mine is not the responsibility of the Town at the present time and it was not to be under the terms of the application.

Q That is it would be private operation and remain a private operation?

A Yes, we were to be responsible for roads beyond, to get our school children from that area to the school, which we are responsible for at any rate.

Q All right now, Mr. Gillies, let me go to page 5 of your brief and you talk about:

"The needs of Grande Cache are readily identifiable, and can be categorized as follows:"

Firstly increased population. How do you suggest that the increased population be obtained?

A We anticipate that there will be a slow increase as McIntyre Porcupine Mines develop their No. 9 Mine, and as conditions for the coal industry as a whole improve. The possibility of the expansion of both their underground mine, the present underground mines, would be expected to take

A (Continued) place but by support by the Provincial Government for our suggestion that we have a base for tourism as a second industry we would expect and hope to increase our population partly through this.

Q Where do you find that suggestion of the base for tourism?

A We have referred to the Monkman-Kakwa Report, which was done several years ago, it certainly points out the potential of this and the entire area for tourism, the need for it. This is one of the sources.

Q Mr. Gillies, you suggest -- I may be wrong, I thought you suggested that the Province had indicated that there was a tourist potential, or tourism as a potential industry: where does that come from?

A Well, probably it would go back as far as the initial planning took place before the McIntyre were able to even negotiate a contract with Japan. I believe that probably as you read the Information Study, I think if I am correct in some of the speeches that were made in the Legislature at that time, there was the indication that this area had great potential, not only for the coal industry but for other industries, and tourism being one of them.

Q Was the potential of tourism used in any of the projections that the Town employed?

A Well --

Q In deciding what limits it would expand to and what development it would take?

A No, I would say not, but certainly the service industry that you can see developing here certainly had this in mind, I am sure, the number of motels and hotels.

Q Outside of the material which is in the Fact Study, which is based to some extent on speeches, as you have indicated, and some correspondence or some documentation, was there, or has there been any assurance, promise or indication, by the Provincial Government, that there would be a tourist industry developed here, apart from what is in the Fact Study?

A Not to my knowledge.

Q Has any study been undertaken by the Town as to the tourist potential, or the possibility of developing the tourist business?

A Well in our limited way within our capabilities here we have attempted to do this. There was a proposal made to the cabinet that a recreational study be made, and I understand that $20,000.00 were allocated and it was indicated that this study would be well under way at the present time but we understand that now we may be obliged to waive the results of this study until your inquiry is through, sir, and this is most unfortunate for us.

Q What were the terms of reference of the study that you wished to Commission?

A It would be more specific to the locale for Grande Cache as a community's need, the native community and the

A (Continued) surrounding areas, who have just recently had land tenure granted to them, this would help them develop their land oriented towards the tourist trade.

Q Do you envisage the expenditure of funds in tourist development?

A By the Provincial Government?

Q Yes.

A I believe that the $20,000.00 has been allocated, it is just a case of release now.

Q And do you envisage the investment of further funds, provincial funds?

A I am sure that -- I am not sure, I would hope that this would be the case. They have a very large investment in this area, they have the potential, the other parks in Alberta are crowded, yes, this is only reasonable to expect that the Provincial Government would do this.

Q And I take it then you thought the Study, any study that you had undertaken on your behalf would justify further investment by the Government in tourist facilities?

A Yes.

Q And promotion?

A Yes.

Q Now one of the items that you mention under this heading is, Highway No. 40, what does the Town see as the significance of the development of Highway 40 through this Town?

A At the present time we are located the end of the highway,

A (Continued) which is not particularly pleasant to travel on, certainly the Provincial Government is now oiling it, but at the present time it would take a pretty staunch tourist to come up this road, and we feel that if the highway was improved and extended through Grande Cache to Grande Prairie it would form a route that tourists could take, as well as just local commerce from the Peace River Block.

Q Tell us, Mr. Gillies, does the Town now get tourists?

A Yes, in a limited way.

Q For what purpose, what are they here for?

A Many people -- unfortunately we are a bit notorious, many people come up here to have a look at Grande Cache from that point of view. Many people come up not probably so much as a tourist but with the hope of, you know, making a new start here, and bring their families along. This is the type of tourist that we are getting in many cases now. Parents of people now here come to visit, and visiting the area.

Q Do you get tourists who go out from here into the surrounding areas?

A Yes.

Q What are the attractions of the surrounding areas that you see envisaging people coming in, you see brought forward by people coming in?

A The people that are leaving, that are going out?

Q No, the people coming in as tourists, where are they going, what are they looking for here?

A Well many of our people in this community probably, I suppose you always get saturated with the scenery at home and you want to go elsewhere, but I suppose a lot of people go out to shop, you know, they would go out to the larger centers for these reasons.

Q Tourists coming in, is this a center to go elsewhere from?

A Not at the present time. They come in specifically for outfitting, the hunting in the fall, the fishing that we have here.

Q Was the, and I am going to your brief now, was the highway, or the potential of the highway coming through the Town instrumental in the development of any businesses or any activities of the Town?

A Only indirectly I would say. Again I would have to probably cite the motels, I think the number of motel units would be reasonable to assume that they thought there would be a greater through traffic than we have at present.

Q At the moment, up to the present, has there been any indication by the Provincial Government, any assurance or indication or representation that a major highway would pass through Grande Cache, up to this point?

A We -- well there is obviously the interest in promoting the study. There has been no definite commitment to follow any of the routes, to my knowledge, or follow the route, except that the Council did meet with the Cabinet on last Friday and Mr. Yurko did imply that a road would be built,

A (Continued) but other areas have priorities or there is an order of priority and it wasn't established as to where we fitted in on this order priority.

Q I am concerned, Mr. Gillies, as to whether or not there is any indication given to the Town, or people in the Town, by the Province, that a highway from Highway 16 to Grande Prairie would come through Grande Cache, up to this point?

A No, unfortunately not.

Q There was an indication in some of the material that some of the tourist oriented businesses, motels for example, obviously envisaged such a highway, do you have any information to indicate any such representation, promise or assurance by the Government, up to this time?

A Certainly not to my knowledge.

Q We talk about tourism, does the Town have any idea of the kind of tourism they can develop here?

A We believe that we have a base actually for tourism pretty well the entire year, but probably concentrated on summer recreation. Our elevation probably is such that we will probably never be a major ski area but we probably have some potential for the intermediate skier. Our mountains are not in the 11,000 foot plus level that you need for excellent skiing but we feel that commercial development and skiing such as at Jasper are just completely saturated and many people would probably choose to come to an area such as this even though there would be lesser slopes.

Q Has there been some investigation made of that potential?

A Yes, at the time that the Lake Louise Project appeared to have floundered we invited the principal from there to come to Grande Cache, and he was good enough to come up and spend a couple of days with us and he looked at the area, but I think the plan that they had envisaged for a project as large as Lake Louise did not interest him personally, but he certainly felt that there was real potential for the area.

Q In what respects?

A General -- not specifically skiing, but generally -- general recreation. Just pursuing what recreational facilities we have here, and could have here, our hunting is excellent in the surrounding area and should continue to be so for a number of years with good management. We have a nucleous of outfitting now. Trail rides could be developed, pack trails, certainly fishing is good. The Provincial Government has made an extremely large campsite at the Pierre Gray Lakes, which is a beautiful area. We have a campsite within our own Town boundaries of 75 stalls, so we have the facilities now.

Q To what extent is your existing campsite used by campers?

A Just about nil. I drove up I believe last Sunday and there was nobody in there.

Q To return to the highway, how does the highway fit into your proposal for the development of tourism, what is the

Q (Continued) importance of the highway going through Grande Cache as distinct from some improved access to Grande Cache?

A We feel it has to be a well-surfaced road in order to attract people to travel on it. You are faced with the present situation, you can now drive, as you know, from Hinton to Grande Prairie, but it wouldn't be a pleasurable drive, it is not something you would do, or the majority of tourists would do.

Q Do you have any other comments to make upon the highway, the importance of the highway going through Grande Cache, to the Town itself, as distinct from the tourist aspect, or if you want to elaborate on the tourist aspect you can?

A Well we feel that the westerly route should be followed or taken because traditionally it seems that in other communities that are dead-ended, or even off of the main highways that there is a great reluctance on the part of the tourist to turn off and go up a dead-end road; we feel it is absolutely essential that the road go through Grande Cache.

Q You have studied the Department of Highways Report?

A Yes.

Q And do you have any quarrel with their information, firstly as to a cost, comparative costs of the highways?

A I am sure not, I have no quarrel, no.

Q Are there any other parts of their study, outside of the opinions or judgment calls, that you challenge or criticize?

A Well we probably would quarrel with the suggestion that route 1, the easterly route, be followed because it does not make probably good sense to have an expressway through this part of the country. If the highway should be built at all it should be built for the travelling tourist, not as a freeway, and certainly the westerly route is the much more scenic route of the three, and this, although it is slightly longer and slightly more costly to build, this is the route we feel should be followed for that reason, that it would be a tourist route, not an express route.

Q Do you not also look upon the highway as a means for joining this community with Grande Prairie?

A Oh yes.

Q For ordinary travel other than tourist travel?

A Oh yes, yes. You know the benefits from the highway would certainly -- the whole province would benefit, not just Grande Cache, but we would be the spinoff, and, of course, we are, you know, selfishly interested with our problems here.

Q Isn't the communication between Grande Cache and Grande Prairie to some extent with this philosphy of a non-expressway or tourist road, or are we talking about compromise?

A I would think that their interests would parallel ours and they have expressed this, I believe, in their -- I believe there are two submissions to your Commission, and I believe these will support our position.

Q If you had undertaken this study for which you had some funds granted, I think $20,000.00, whom did you intend to commission, what did you intend to do with that?

A As far as I understand the terms of reference would have been that the Provincial Government would have commissioned the people to do the study, this would not have been done at this area.

Q And what did you understand those terms of reference to be, or those potential terms of reference?

A Certainly what I would have hoped, and I am sure everybody else in the community would have hoped that there would be projections as to what type of tourist we could attract, what potential there would be, what service industries for the tourist that should be developed. To give us some guide as to the pacing of these facilities, in other words, should a golf course be started eight years from now or six years from now. Should a major ski resort be fifteen years in the offing, these are the things that we must and should know.

Q To go to your brief, Mr. Gillies, there is, among the specific items dealt with, there is the Rocky Mountain Rainbow proposal which the town indicates that it endorses, and there is a reference to the need of that project for assistance from Government Departments. Do you know what assistance is required?

A Not specifically, other than there is a letter in the

A (Continued) submission which in a general way discusses with -- the letter is directed to the Honourable Allan Warrack and it discusses their plans and touches on some of their requirements, you know, decisions that would be necessary from the Provincial Government.

Q That is decisions you are talking about?

A Yes.

Q Do you know whether they needed economic help?

A I am not sure of this, no.

Q The Town hasn't studied that?

A No.

Q Or doesn't have that information?

A No.

Q You go on to mention the Forest Industry and Provincial Government assistance to encourage development of the forest industry; what information does the Town have with respect to that potential?

A I haven't got detailed information as to -- we have one company, Kakwa Lumbering, that is in the area now, it has, I believe, not been able to procure timber rights in its own name to major stands of timber, they are actually working on other leaseholds, and we believe that there are fairly substantial timber stands in this general area and we feel that it could be exploited by either that company or a company, and we would certainly like to see Grande Cache used as a base for this development.

Q You don't see any inconsistency with that and your tourist potential?

A Not with the proper, I am sure the proper control that the Government would have, no.

Q What kind of forestry experience do you anticipate could be developed, centered here?

A I would think basically a sawmill, I don't think there is any possibility of a pulp mill ever establishing here because of our location between two very major leaseholds, one to Northwest Pulp and Power and one to Proctor and Gamble; we are just not in the right place.

Q You are looking for something though that is centered here?

A Yes, but it wouldn't be major but it could be fairly significant to us.

Q The rail line, of course, does not serve the Town?

A No, it is approximately eight miles from the community. Our closest point would be at Suza Creek which is about eight miles.

Q And any development might in fact occur near the rail line?

A I would assume that if you use the sawmill as an example they would likely want access to the rail and it is logical that they would be on that spur, or near the railway itself.

Q Does the Town then envisage serving as a dormitory service?

A We would again serve as a bedroom community.

Q And would you look for the tax base of that particular development as well?

A Again at the present time we would be resigned to the fact that it would be through residential tax.

Q And how do you envisage that the Province would encourage this development?

A Well certainly I am not conversant with, you know, the leasing of these berths, but I think if they were able to assist any developer or operator that had, you know a viable operation, we would like to have the Government encourage this.

Q Are you suggesting that there be Government economic investment in that as well?

A I wouldn't think this would be necessary.

Q Would you suggest that that would come through the management of those particular forest rights?

A Yes, or probably I would assume they should be given the rights, but probably they need timber rights for a sustained period of time so that they can develop something that is economic.

Q Now you mentioned in your brief the economic stability of your major industry, this is on page 5, and you talk about community needs, you talk about the economic stability and expansion of your major industry and that, of course, is mining operation?

A Yes, we feel this will always be the major industry here for many many years.

Q Do you have any suggestion as to how the Government should

Q (Continued) achieve that end?

A Well this again, you know, is out of our area as far as firm recommendation, but certainly the community would feel that there is a need in the coal industry for freight rates that would make this area and Western Canada competitive with other coal producing areas in North America. This would certainly be one area, and I think an area that the Provincial Government is doing much now, but this would be one area.

Q Is there anything else that the Town has put forward as a -- can put forward under that heading, other than general encouragement; any specific proposals?

A No, nothing specifically that we could do.

Q Financial assistance through special grants or reduction of the debt load, which is item 4 of your Community Needs on page 5; do you have any specific proposal there?

A Our specific proposal is that the one million dollars representing the investment in the serviced lots be taken as a debt from us. This is our specific proposal, the New Towns Act is quite flexible in its provision for other types of grants. There are possibly other ways that you would recommend that the Provincial Government did assist us but this is one way that we feel is quite practical and it wouldn't be in the form of a hand-out, we would be giving value for the million dollars that they would take from us.

Q That represents your cost?

A That represents our cost.

Q We have no assessment of whether or not there is a market value to that?

A Obviously today there isn't a market but certainly there will be a market in the future, but our problem, of course, is for the fairly short term.

Q Current financing?

A Right.

Q Now we have already dealt with the addition to an improvement of Highway 40. You also suggest immediate assistance in future economic planning through land use studies, recreational studies, etc.; is that the kind of thing you have been telling us about that you wanted, for example, the grant for, or the funding for, or is there something else involved in that?

A Well we feel that it would be useful and necessary that the Provincial Government not just look at the area from the tourism point of view, consider the entire area from all its aspects, the lumbering industry, the possibility of encouraging other operations to come into the area, or surrounding area, in other words to maximize the use of the facilities we have now; the Alberta Resources Railway, the road transport system we have now, this is what we feel should happen.

Q A more equitable ratio between assessable residential and industrial property, is that the problem of the industrial sites that we have talked about, the mine and the power plant?

A Yes, and the fact that we have a fairly extensive area of

A (Continued) our commercial property that, of course, is now serviced but not sold. We haven't mentioned this but we have quite a substantial commercial area that is ready for development.

Q How much is invested in it?

A Again I will have to turn to Mr. Gurel.

Q You haven't broken that particular figure down?

A No.

Q At the moment that is just being carried as inventory with the Town?

A That is being carried as inventory.

Q Tax relief for the year 1973 or the right to budget for a deficit because of the recession in business. Is this the deficit arising primarily from the financing of the surplus land you have that we have been talking about?

A It forms part of it. This year, because of the change in the grant structure from the I.D. or transfer from I.D. we have had a substantial difference in our education grant. Could you explain that, Mr. Gurel.

(Discussion off the record.)

Q MR. STEVENSON: Do I understand, Mr. Gillies, that the additional problem is that the Improvement District tax transfer will also be down this year?

A Yes, and we feel, unfortunately quite substantial.

Q And I take it that that tax transfer is to some extent based on the number of employees employed at the mine?

A Yes.

Q And we will get those figures through the Department of Municipal Affairs.

What about the taxpayers here, are they able to meet the tax obligation, the assessment against them?

A The group we are worried about -- certainly both from a homeowners point of view and a person who is operating a business in this community, the one that would certainly be the most hard-pressed is the business man. Because of the lowering of the population there has been a resultant decrease in the amount of business and we feel it is just -- we cannot approach the business men at this time and tell them that there will be a substantial increase in taxes for the year 1972. Many business men would probably not be in a position to pay them, and we feel that it is necessary for the community to show some faith in people that have invested here and relieve them of this for this current year.

Q What do you envisage as improving the situation in the future?

A The slow growth that McIntyre Porcupine Mines expect in their work force. This will certainly show an improved position in the year 1974.

Q The Town expects an increase in the work force at the mine?

A Yes, not substantial, but an increase.

Q And does the Town know whether that increase will be through permanent residents coming in or --

A Probably for the year 1973 we will have a small transient work force who will come in to develop McIntyre's access road to their proposed mine site No. 9. This will not be a significant number and probably many of them won't use this as a base for their permanent residence, but they will be in the area.

Q Does the Town obtain information from the mine as to its projections for employment?

A Yes, at the present time yes, within the guidelines or projections that McIntyre has at the present time.

Q And were those provided to the Town?

A Those are now provided,yes.

Q And does that indicate some increase in the permanent work force?

A The information that we have it certainly will not be significant. I believe that there is approximately sixty people anticipated for the construction of a road which will probably be the major construction up until December of this year.

Q That is not permanent work though?

A No, that is not permanent.

Q Is the Town satisfied that its economic problems would be solved with a population figure of 5,000?

A If we had a population of 5,000 we would be very content.

Q To what extent has the Town planned on the basis of 5,000?

A Probably many factors and things change. At that time it

A (Continued) was planned to extract the majority of the coal from the underground operation by long wall mining, which is relatively labour intensive, you know, through necessity McIntyre has had to change some of their plans and projections that they had at that time, of course, don't apply today.

Q Could you tell me, this magic figure of 5,000, this comes, as far as you know, from the Provincial Planning Board, 1966 Report?

A Yes, I believe that they were using that figure of 1,100 employees at the mine at that time.

Q Now you personally are in business, Mr. Gillies?

A Yes.

Q Can you tell us what factors led to your decision to enter into the business community, from the point of view of long range planning?

A Well I believed then, and I still believe now that the area has real potential. I suppose I based my decision to purchase a business on the fact that there is good quality coal in this area, there is a need in the world for coal. I suppose I based my decision on the fact that the Provincial Government had enough faith in the area to build a railroad into here, to plan a new town, and I am sure that these were all factors, and certainly when I saw the area I personally believed then, and I believe now that it has real potential as a tourist area.

Q Was the figure of 5,000 available to this business community, this projection?

A Yes, anybody who cared to search this out, yes.

Q Number 9 deals with interim assistance for undercapitalized business enterprises, what do you have in mind there?

A We feel as a Board that there are probably a number of businesses that by the amount that they had to invest as a capital investment that they probably cannot sustain a loss over an appreciable length of time and in order to keep those that are in difficulty viable they probably will require some assistance to tide them over until we get back to a more stable operation.

Q Why should the Province contribute to that?

A Because they have legislation now that is specifically aimed at this type of person, in other words they realize that there are groups or individuals who will not necessarily be able to have the capital and the resources to go to a chartered bank and get monies.

Q Is there some special reason for saying that some special situation applies to Grande Cache?

A The loss --

Q As far as the Province is concerned?

A Well firstly the loss of our population and then equating that with the investment that the province has made here, I think it would only be in their interest to ensure that this community continue.

Q Do you imply from your own experience, or from information that you have in the Town that the Province assurred, guaranteed that population figure in any way?

A I don't think there was any guarantee that the population be here, no.

Q Would you think some special case can be made for the businesses in Grande Cache beyond the businesses anywhere else?

A Yes, I am sure that every other community thinks that they are unique but I think we have special problems here, just because we are on a New Town status, that puts us in a special category, and because of the misfortunes, or the necessity for the mine to re-trench, this has made it more and more difficult for the people here. I think we are unique.

Q The fact that you are a New Town, what difference does that make?

A Because as my understanding of the New Town the Provincial Government has recognized the need for the community and they, I think in recognizing that they realized that the community could not come about without assistance from them, and I believe this was the whole purpose of the New Towns Act.

Q Do you think that that implies continued assistance, for example to the business enterprises?

A Well it would only make good business sense to me if I

A (Continued) had a very large investment in the community to support those that, you know, made it continue as a community, that is only sensible.

Q Number 10, improved airport facilities and air services, what does the Town expect to gain from that?

MR. CRUMP: Mr. Stevenson, having in mind the length of time the witness has been here I think we will take a break at this time. Fifteen minutes.

(Hearing adjourned at 11:05 a.m.)

MR. CRUMP: You may proceed, Mr. Stevenson.

Q MR. STEVENSON: Mr. Gillies, I was at the point of inquiring of you with respect to Item 10 on page 5 of your submission. You are suggesting that the community needed new airport facilities and air services; and I wanted you to indicate what the Town expected to arise from that kind of an improvement or that kind of facility?

A Well, we would like to see our airport facilities improved. At the present time our strip is relatively short and where it is located it pretty well precludes any craft of probably larger than a DC-3 using this strip. And we would like to see the expansion of the airport or the relocation of the airport and we feel that our location now in respect to the new jet port that is planned at Hinton would put us in a good position to be on the feeder line that would serve the northern part of the province, the northern part of British Columbia. It could feed through, use this as a stop-over through Hinton to Edmonton.

Q And that airstrip now is essentially a Department of Lands and Forests facility?

A That's correct, yes.

Q And you envisage the Provincial Government improving that airstrip through that Department or some other department?

A Yes, I understand there is considerable interest by the Provincial Government now in making available to communities such as ours airstrips and we understand that we are on a fairly

high priority for this consideration as far as a strip for Grande Cache.

Q And what do you have in mind, some lengthening or resurfacing?

A There has been no real in depth study. I think it would be logical to first look at the possibility of expanding that strip by filling in the end of Victor Lake and there is a fair amount of room for expansion towards the east from there.

Q And that would require provincial funding as far as you can gather?

A That would require provincial funding, yes.

Q And this direct economic benefit for the Town that you anticipate if that happened?

A On the longer term, if we develop as a tourist area it would be reasonable to expect that if we had say intermediate ski slopes here that groups would use this to come into the area, apart from our own local commerce.

Q And this is essentially part of the tourist development?

A Yes, should compliment it.

Q All right, now, Item 11 in your submission, reduced freight rates, what are we talking about?

MR. CRUMP: I would like to interject here, that my two Commissioners keep me in order on this subject.

A Well, we feel that there is a reduction in two general areas. We feel that in order to support our major industry here there is a need for a reduction of freight rates to make this area more competitive and also locally it would insure that our standard, our cost of living remains comparable to other

districts or other communities such as this. We would like to see a reduction of these freight rates and this should be possible by improving Highway No. 40.

Q MR. STEVENSON: You are talking about road transport?

A Yes, road transport, truck transport.

Q Is it costly to transport from Highway 16?

A Yes, it is quite costly. Our first class truck freight rates into this community are $4 a hundred weight from Edmonton, which is certainly something that has to be passed on to the consumer.

Q Now, you believe that an improvement to the highway would reduce that rate?

A Yes, this is logical that it would. There must be substantial wear and tear on vehicles that do truck into here now. Also if Highway 40 was extended on to Grande Prairie it would be reasonable that a trucking firm could have a payload in both directions; Grande Prairie is a fairly substantial wholesale outlet. They could certainly be bringing products back with them.

Q The twelfth point that you dealt with in your brief was social stability and I assume from what you said earlier, you had covered that. Social stability now depends on economic development?

A Yes, we feel so.

Q There are a couple of other items I would like to cover. Was there an adequate supply of housing in the community prior to the layoff in January as far as you know?

A I believe at the time of the layoff, every home was filled, to

my knowledge. It was - all the space was being utilized.

Q I take it there are in fact now empty houses?

A Yes, I am not sure of the exact amount; I would think in excess of 100.

Q There are no tax defaults on those as of yet?

A No, no.

Q So that as far as we know the Town's taxpayers are not in arrears?

A No, not at this time.

Q And that applies to business enterprises as well?

A Again, not at this time.

Q And we don't know whether those taxes are paid by them, the respective mortgagees or the owners themselves?

A In the case of the home-owners?

Q Either?

A I would imagine that the majority of home-owners would have their taxes paid by the mortgagor but probably not in the case of the businesses.

Q Tell me this, Mr. Gillies, I was looking ahead at one of the other submissions. Does the county form of government here, the form that exists, create any special problems as far as the Board is concerned?

A I don't think any special problems. One area that we are going to look at is actually not divorced from the School Board but set up a separate School Board from the Board of Administration.

Q A school committee within --

A A school committee within the Board. We feel that this would

make for better local government.

Q Would you oppose severance of the municipality and the school district?

A On what I know personally at this time, I would oppose it, yes.

Q And why is that; why do you think this is preferable?

A Well, at the present time the only elected representatives are those on the Board of Administrators and you know, as such are responsible to the taxpayers and I think that within, you know, acting as a committee within the whole this should form good government.

Q Can you tell me whether the formation of a county was a decision of the elected representatives or whether it was a decision of the province?

A To my knowledge this is a decision of the province.

Q To your knowledge were the local people consulted with respect to that proposal?

A Not by referendum, no.

Q What about the elected administrators?

A Well, we were aware of it but I don't think we had any - you know, it was not a decision we could make.

Q Have you made any objection to it?

A No.

Q Does it appear to create any problem you are aware of?

A No.

MR. STEVENSON: Those are the questions that I have, Mr. Gillies. Would you answer any Mr. Martland or Mr. Sabey may have?

MR. SABEY: Mr. Chairman, I haven't had the opportunity to read their latest brief and therefore can't, by what I say, adopt any or all of the positions taken by the Town. I have no questions but I would simply want to commend them for their very objective and obvious attempt to be fair about this whole thing and look at the problem as a positive matter in the future.

MR. CRUMP: Thank you; Mr. Sabey, I agree that the evidence of this witness has been exceptionally good. Have you anything further, Mr. Stevenson?

MR. STEVENSON: I have nothing further. Would you answer any questions from the Commissioners?

MR. CRUMP EXAMINES THE WITNESS:

Q The only point I have, Mr. Gillies, is that, at this time, as I understand the New Town Statute, you are not required so long as you have New Town status to pay any of the capitalization, any capital repayment, but you are required to pay interest on the debt capital?

A Yes.

Q Or, not debt capital, but more properly the advances by the government under that Act and that this deficit of yours that you quoted, 57/58,000 dollars is on the interest payable on those advances?

A Yes.

Q And this is fully in accordance with the New Town Act. Thank you.

Mr. Patching, do you have any

questions?

MR. PATCHING EXAMINES THE WITNESS:

Q Just one question regarding the social stability, I believe that bus service has been discontinued from Grande Cache, is that correct?

A Bus service was discontinued. We now again have a bus service but it does not carry freight. It is a very limited passenger service. I think we have a 12-seat unit that runs between here and Hinton. I believe it started on the 28th of May or started again, a different firm.

Q Is this adequate for the community?

A At the present time probably it is adequate to carry the passengers in and out but it is not adequate to carry freight in and out, perishable freight, there is a need for a bus that would be large enough to carry it.

Q I wonder does this lead to any feeling of isolation or difficulties with medical services or shopping outside or a sense of instability?

A I think as time goes on this becomes less and less apparent. You know, it is most unfortunate that McIntyre was obliged to lay off people, but something that we sense since the layoff occurred is that by choice the people that remained are people that want to make a go of it in this community and certainly I personally and I think most people that you speak to, have really sensed a difference in the attitude of the people that are left in Grande Cache. And this is certainly good. So I think as far as social stability, we have got now something to

work from as long as there is some assurance that we will continue as a viable community.

MR. PATCHING: Thank you.

MR. CRUMP: Mr. Graham?

MR. GRAHAM: No, sir.

MR. CRUMP: Thank you, Mr. Gillies, you may stand down; thank you for coming.

(Witness retired.)

MR. STEVENSON: Mr. Chairman, I may, for the record, advise that Mr. Gurel informs me of two things that came up in Mr. Gillies' testimony. Firstly that Mr. Gurel is appointed as Chairman by the Minister; secondly that the general hope or plan or expectation of the administrators was that the capital investment, the capital obligations would be repaid over a period of probably 25 years in accordance with the normal municipal financing which is the answer Mr. Gillies couldn't give us directly.

GRAHAME KENNETH ALLEN, sworn, examined by Mr. Stevenson:

Q Would you give us your full name, Mr. Allen, please?

A Grahame Kenneth Allen.

Q Where do you reside, Mr. Allen?

A May I sit down, sir?

Q Yes, you may sit down.

A I live in the City of Grande Prairie.

Q I take it that you are a professional planner?

A That is correct.

Q What are your professional qualifications?

A I am a member of the Town Planning Institute of Canada.

Q And you are employed by the Peace River Regional Planning Commission?

A That is correct.

Q Can you tell us what that Commission is composed of, the make-up of that Commission?

A Very well; the Regional Planning Commission was established by an Order In Council in 1958. It contains 35 member municipalities, urban and rural municipalities 23 of which are urban municipalities. Grande Cache is the third largest of municipalities in our region. It sits on the southerly end of our region.

Q I take it it is the region, generally the northwest corner of the province?

A That is correct; it comprises approximately one-third of the province and contains 85,000 square miles.

Q And are you a full-time employee of that Commission?

A Yes, I am.

MR. CRUMP: Mr. Stevenson, would you pursue just a little further the matter of the qualifications of the witness?

MR. STEVENSON: Yes.

MR. CRUMP: I have had the pleasure of meeting innumerable town planners across this country and in other countries and I was just wondering what is the witness's background.

Q MR. STEVENSON: What is your training in the field, Mr. Allen?

A At the time that I entered the Institute, I articled under two other planners, professional planners and was admitted to the Institute after sitting an examination. I have some courses from the University of Alberta and some from a university in New Zealand.

Q Is your country New Zealand originally?

A That's where I am from, yes.

Q And your training in planning is essentially articling?

A Yes, that's correct.

Q And you passed some courses?

A Yes.

Q And how long did you go through the articling?

A Seven years.

Q And where was that, sir?

A In the Peace River country.

Q Under whom?

A Two planners, Mr. Len Milne and Mr. Joe Ganske.

Q Are they private planners or government employees?

A I don't know what Mr. Milne is doing at the moment but Mr. Ganske is the Chief Planner for the Northwest Territories.

MR. CRUMP: Thank you, that is sufficient.

Q MR. STEVENSON: Now, Mr. Allen, I gather that your Commission approved a submission to be made to this Inquiry, is that correct?

A That's correct.

Q And you did the work on this submission yourself?

A Yes, I did.

Q Is this a copy of your submission?

A Yes, it is.

MR. STEVENSON: May we mark that as Exhibit 7?

SUBMISSION ENTITLED THE POSSIBILITY OF A HIGHWAY LINK BETWEEN GRANDE PRAIRIE AND GRANDE CACHE, MARKED EXHIBIT 7.

Q MR. STEVENSON: Your submission deals I take it exclusively with the question of the highway route between Grande Prairie and Highway 16?

A Yes.

Q And this submission which you prepared was in fact approved by a meeting of your own Commission?

A That is correct.

Q And you advised me and gave me a copy of the minutes approving it?

A Yes.

Q And the Commission itself consists of the representatives from the member municipalities?

A That is correct; they are elected representatives from each council. We also have five government departments which are represented on the Commission as well.

Q Now, in your submission you deal with the construction of a highway and you advise us that you don't intend to deal with the detailed location of the highway. Does your recommendation with respect to the highway or the submission with respect to the highway deal with location insofar as the Town of Grande Cache is concerned?

A Yes, insofar as the connection between Grande Prairie and Grande Cache, we are recommending that there be a direct link between the two communities. The location of the highway in between these two communities is something that has to be designed by a highway traffic engineer and I am not one of those.

Q You of course are familiar with the highway study which we have filed here?

A Yes, I am.

Q The study prepared by the Department of Highways?

A Yes.

Q And your opinion relates to a direct connection between Grande Cache and Grande Prairie as part of that route, is that correct?

A Yes.

Q You are not talking about some junction connection between Grande Cache and the new highway?

A No, that wouldn't be a good plan at all.

Q Can you summarize for the benefit of the Commission the opinion, the factors that go into forming your opinion that the highway should go through the Town of Grande Cache?

A Well, we have stated in the brief here - I should say here at this point that a lot of the information that I used in this submission is from different reports which the Commission have prepared in the last two or three years. It is all referenced. Now, one of the recommendations that we made and I'll read it, recommendation No. 2 on page 4:

> "2. Assuming that the link is to be built we strongly recommend that it <u>connect directly</u> to the

two communities. '...when new links are added or existing links upgraded these links should centre on existing middle order and high order centers so that the viability of these communities will be retained. Additional junctions only foster the development of very small service communities.'"

In other words, what happens, by creating another junction say 10 or 12 or 15 miles away from the New Town of Grande Cache, pressure is brought to bear to establish service stations, commercial outlets, motels and this sort of thing which requires residential accommodation which is going to stimulate further urban growth and it can only in the end stimulate a non-economic community, another headache.

Q That is the / creation of a junction with let us say, a new Highway 40 --

A Yes.

Q -- into Grande Cache, would, you say, create demand for services at the point of that junction?

A It probably would, yes.

Q And in the Commission's view, endorsing your view is that this is not a desirable form of development?

A That is correct.

Q Apart from the undesirability of that junction, what desirability would there be for the community of Grande Cache having a highway come through?

A Well, it provides a continuous link between - from community to

community. In other words, the highway extended on a particular urban centre and the mere fact that people pass through it, the community, encourages them to perhaps stop and have a look around. It helps the - it has been pointed out already this morning that the tourist industry must, you know, stop overnight at certain places and recreate themselves and this particular community provides a perfect solution for tourists and overnight stopping. This sort of thing.

Q To make Grande Cache a stopping place?

A Yes, another thing of course it does, it provides a northward flow of traffic to Grande Prairie. Now, Grande Prairie has just started a regional college up there. I don't know whether you knew this. There is a five million dollar construction just been commenced. And there are various other social and cultural, educational interchange could take place between two communities if they are connected directly. If there was - if a person had to travel backwards say for 30 miles in order to go northwards to Grande Prairie, there may not be the stimulus to sort of or as much stimulus to go to that other community.

Q You notice that one of the route studies for the Department of Highways points out in fact, they can engineer a route that does not pass through Grande Cache, a shorter route --

A Yes.

Q -- with the junction, than one going through Grande Cache.

A That's correct.

Q And the availability of the facilities of Grande Prairie and this interchange you are talking about, would be equally well served by that type of highway, wouldn't it?

A Yes, although by taking an easterly route such as that you wouldn't pass through such scenic country as you would have say by getting a little closer to the Rocky Mountains, from a tourist point of view.

Q So that is a factor that you think would militate in favour of the more western route?

A Yes, I am of the opinion it would be worthwhile spending extra money so that - for the long term range of the general public good.

Q The extra money according to the Highway Department study is around seven million dollars?

A Something like that.

Q Do you --

A Now, these figures have to -- they qualify these figures too, in their study. They are not sure.

Q Do you take exception to any of the factual information in the highway study from a planning point of view?

A Not really; no, I can't argue that. Like I say, I am not a traffic location engineer and we must depend on these people to do this.

Q That highway route study is Exhibit 6?

A Correct, I have seen that, yes.

Q Yes, it is referred to in your submission?

A Yes.

Q When you refer to the highway study, that is what you are talking about?

A That is correct; whereabouts is that reference again?

Q Page 3 numbered paragraph 2 in the report published by the Department of Highways, page 3, paragraph 2.

A Right.

Q That is Exhibit 6.

A That is the route study, Grande Cache/Grande Prairie Highway, yes.

Q Which I'm holding in my hand?

A That is correct.

Q Now, you do mention in your submission that Grande Cache could conceivably perform a similar role to that of the Towns of Jasper and Banff as a threshold community. How do you back that up; is that from your studies; is that an educated guess or just what?

A I would say it is an educated guess; it is the feeling of the people in this area which is most important. And it is, I think it goes without saying. Just look out the window.

Q Have there been any studies made by the Peace River Regional Planning Commission with respect to the economics of tourist development in this area or in the region as a whole?

A Yes, I would like to file first of all this report here which may be interesting to you. It is called an Economic Base Study, the Peace River Region of Alberta. And this deals with industry and tourism.

Q Is that one you refer to in your brief?

A No, it is not.

Q If you will - will we be able to get additional copies of that?

A Yes.

Q All right.

A Do you want me to send you copies?

Q Yes, please. Now, is there some particular part of that study, some particular conclusion of that study that you particularly wish to draw to our attention?

A No, not offhand; I can't, youknow, without going through a little bit more detail and taking time but the pink pages - let your fingers walk through the pink pages and you will find quite an interesting analysis of the economic base of the Peace River Region, the new towns I have touched upon and all this applies to the region. The pink pages in here.

Q And that other document?

A This document here may be helpful to the gentleman over here. He was asking about the objectives and the aspirations of the people of the new towns in the region. This document here is called People of the Peace - Their Goals and Objectives and I think that you will find in this document the feelings of the people who live in new towns in the province. They do feel isolated; they do feel they are cut off from things and this is all carefully documented in here for a survey that was carried out by our Commission, the Regional Planning Commission, a 25 percent sample of the people in the region.

Q And the third document?

A The third document is a document which is referred to in the paper that I prepared for the Commission and it is called, Central Places in the Peace River Region of Alberta. This document here defines the role and function of every community in the region itself and Grande Cache, all the new towns, are mentioned in that particular document. The references are in my brief.

Q I am going to take the liberty Mr. Allen, of accepting those documents as bibliographical material now that you have referred to them rather than incorporating them as exhibits because of the absence of copies and the fact that people have not had an opportunity to examine and question you on them. That is in the same class as the documents in support of the fact study. That material is available, that is bibliographical material, the same as if we had referred to text books and so on.

A Right.

Q I'll leave those with --

A They are very interesting reports.

Q Are there any other factors, Mr. Allen, that you would like to direct to the Commission's attention, any submission that you made or relevant information that you have?

A Yes, I would like to just raise a couple of things. I would like to first of all make it clear that the Peace River Regional Planning Commission was not involved in the location or the design of the Town of Grande Cache. This was carried out by the Provincial Planning Branch of the Department of Municipal Affairs and they, ever since then, they have handled all planning

matters, developmental matters in the New Town of Grande Cache through that Department. So the Commission other than some legal type subdivision control or something like that, the Commission has not been involved with the Town of Grande Cache to any detailed extent.

Q Has that created any difficulty for either the Commission or the Town?

A Well, I would say that probably we are not as familiar in detail with the community as possibly we should be.

Q The planning was all done within the province's own department?

A The last government planned this town.

Q Is that normal in new town development?

A Yes, it is; now, just another thing I would just like to draw to the attention - two things, actually - one was a letter from the past Premier. I think it is filed in the New Town's thing, indicated that a highway would be built; that commitment from Mr. Strom saying that the highway would be built between the two communities.

Q That is the letter of 1970 from Mr. Strom directed to --

A Yes, I believe the Chamber of Commerce in Grande Prairie had that.

Q Yes, it is part of the Chamber of Commerce Grande Prairie submission.

A Right, now, another thing too that is rather remarkable and I think it should be filed somehow or other or whatever you want to do with it. It is a map of the Province of Alberta called

the Official Map and it is prepared by the Department of Highways and it shows the highway coming in from Hinton marked, Highway No. 40 and it ends at Grande Cache and then there's a highway commencing at Grande Prairie and it goes some seven miles south and it is also called Highway No. 40. So there is the obvious intention that some day there would be a highway built between these two communities. You can see that, Mr. Chairman.

Q Is that the current map?

A This is the official 1973 road map from the Department of Highways.

Q Does the Peace River Regional Planning Commission have any view as to the development of other communities between Grande Prairie and Hinton?

A We, I really should not answer that question although I would say this off the top of my head that we would certainly discourage any further communities between Grande Prairie and Grande Cache there could be possible tourists lay bys or picnic grounds or something like that where people can stop along the highway to have picnics but I can't see the possibility of any more communities between these two.

Q No urban development?

A No urban development, no.

Q So far as your submission is concerned, Grande Cache would be the urban centre between Grande Prairie and Hinton?

A That is correct.

Q And as far as your Commission is concerned any development of an

urban community would be here?

A Well, I can't speak on behalf of the Commission on a point like that but personally speaking I would say that Grande Cache should become the tourist centre for this immediate area around here and Grande Prairie of course would also share that too, but it seems to me that Grande Cache is a much closer, much closer to the wilderness and that is a way out here.

Q And the recreational studies, I understand that there are recreational studies available to your Commission - are the ones you refer to in the document which you have handed to us, the pink pages?

A Well, yes; I don't know whether there's any recreational aspects to that document.

Q Do you know how one undertakes the study of recreational potential or recreational ground in this province?

A You mean the mechanics of going about it or who does it?

Q Both?

A It all depends on what type of an approach one would take. What you are going to try and find out. We are currently preparing a study of outdoor recreation for the region at the moment. We have a man who is doing that who is far more qualified than I am to answer that question, his specific approach to it. The Regional Planning Commission is in a position to carry out regional studies of recreation tourism and things like this as is the Department of Youth, Culture and Recreation. I am not sure what they have done so far but - and so does the Department of Industry and Tourism. I am not

aware of the amount of work that has actually been completed and done at the moment except for our own report which is just about in the typewriter.

Q Without going into technical details, basically is it an attempt to predict usage?

A Yes, it can be approached from that way. What we would try to do would be to predict a trend and based on that trend you would try to allow for facilities on a stage basis to cope with the population as it expanded, the tourist expansion. B.C. I believe is expanding at the rate of about 18 percent at the moment.

Q If you were developing tourist potential in this area would you envisage capital expenditure for development of sites, park sites, viewing sites, roads and so on?

A Definitely.

MR. STEVENSON: Those are all the questions I have, Mr. Allen. I have taken you a little way off the brief. Mr. Sabey?

MR. SABEY: No thank you, Mr. Chairman.

MR. CRUMP EXAMINES THE WITNESS:

Q Mr. Allen, there is just one question; you mentioned the Regional Planning Commission making a study now of recreational facilities. What is the area that encompasses?

A It will encompass the Regional Planning Commission's own region. Our region which is - our region to the west which is bordered by the British Columbia boundary, to the north by

the Northwest Territories border on the east by the line drawn roughly through the centre of the province and then to the south by this area here, the Town of Grande Cache.

Q Does that include the Town of Grande Cache?

A Yes, it does.

Q It is a very large area.

A Yes it is a third of the province.

MR. CRUMP: Thank you, I have nothing else.

Mr. Patching have you anything?

MR. PATCHING EXAMINES THE WITNESS:

Q I was wondering if Mr. Allen could tell us briefly just what he thinks of the essential elements needed for developing the tourist business in an area and to what extent these are now present in Grande Cache and what tourist business would you guess might be found in the Grande Cache area if this highway you are supporting went through; do you have any specific numbers on this?

A No, I don't. I think that what we are basing our assumption on is that the national parks are at the moment experiencing some overload and we know this. There must be a substitute found for them otherwise we are going to destroy them by over-usage and this particular area here, I know it very intimately because I have travelled over quite a bit of it on foot and we can see the substitute here which can compare to Jasper and other national parks in the province. As a matter of fact the whole Rocky Mountain system going into B.C. also they are looking at the Rocky Mountain system. The potential is there to

provide for tourism, this from an esthetic point of view. I'm sorry, does that answer your question?

Q Not altogether.

Q No, you just sort of give it to me in a few points.

MR. CRUMP: Have you anything, Mr. Graham?

MR. GRAHAM: No.

MR. CRUMP: Well, thank you for coming, Mr. Allen, you can stand down.

A Thank you.

MR. STEVENSON: Thank you, Mr. Allen.

(Witness retired.)

MR. STEVENSON: I should record, gentlemen, that Mr. Ellis, who is the secretary of the West Yellowhead Regional Development Council and is present this morning. They have indicated their support for the Town submission with respect to the highway in a letter which was filed. Mr. Ellis is here. He does not intend to make an oral presentation but I just wanted to record his presence as supporting the Town's position. Mr. Williamson?

GEORGE WILLIAMSON, sworn, examined by Mr. Stevenson:

Q Mr. Williamson, you are a resident of Grande Cache?

A Yes, that is correct.

Q How long have you been here?

A Three years.

Q And you are a teacher?

A That's right.

Q What grades do you teach?

A I teach grades 7, 8 and 9.

Q What is your relationship to the Alberta Teachers Association Grande Cache Sub-Local?

A I represent the Grande Cache Sub-Local as Chairman of the Economic Policy Committee, a committee of two, a small committee.

Q And how many teachers are there in Grande Cache?

A 47.

Q And they all of course would be members of the Alberta Teachers Association?

A Yes, that is a requirement.

Q This is 47 full time teachers?

A Right, yes.

Q Mr. Williamson, you are authorized to present a submission to this Inquiry by the Grande Cache Sub-Local, is that correct?

A That is correct, yes.

Q And did you take part in the preparation of this submission?

A Yes.

Q And is this a copy of the submission?

A That is a copy of the submission.

MR. STEVENSON: Would you mark that as Exhibit 8, please?

A SUBMISSION TO THE GRANDE CACHE INQUIRY GOVERNMENT OF THE PROVINCE OF ALBERTA PREPARED AND PRESENTED BY THE GRANDE CACHE SUB-LOCAL OF THE ALBERTA TEACHERS ASSOCIATION, MARKED EXHIBIT 8.

Q MR. STEVENSON: Mr. Williamson, your submission deals with a number of areas and I think you have broken it

down into four headings: the financing of education being the first one. Now, what are the particular concerns that the Sub-Local feels with respect to the financing of education in this community?

A We feel that there's been a large capital expenditure of course in building the schools over a short period of time; that there are high interest charges and therefore that the Provincial Government should continue to give special support to the school system, special financial support.

Q I take it that your information is that the school building cost in this community was $2,125,000?

A That is correct, yes.

Q And you refer to planning for a population of 5,000 by 1973. Is the school plant that is here designed for that accommodation, can it accommodate that?

A As I understand it, the school plant has been built with an anticipated population of about 5,000, that would provide about 1,250 students and there is sufficient, there are sufficient school buildings for 1250 students.

Q The physical plant?

A The physical plant would support that many.

Q And your position I take it is that part of that capital debt is designed to reflect that increased population?

A That is correct, yes.

Q Do you have any information as to where this 5,000 figure came from?

A Well, in our brief there is a bit of an error there. Apparently

that came from the Provincial Planning Commission and not from the group we refer to.

Q That is the 5,000 figure we heard mentioned earlier this morning as appearing in the Provincial Planning Study of 1966?

A Correct, yes, that's where the original came from.

Q And I take it that the Province has in fact made grants to this area, this school district or county whatever it may be, so far totalling roughly $550,000?

A Yes, I understand that that is true.

Q Those are special grants?

A Special grants above and beyond the regular grants provided under the Foundation Program.

Q That is not ordinarily available to other communities?

A Right.

Q Now, have your investigations indicated that the tax base for the schools was based on this 5,000 population as well?

A I would assume that, yes.

Q Now, with respect to financing education in the future what is your suggestion as to what the Province should do or can do?

A I think until the community grows to such a size that it can support the facilities that have been provided, the Government should continue to give special consideration in the way of grants. Presumably when the community reaches a size of around 5,000 it will be able to support these facilities itself.

Q I gather that part of the cost of schools was not supported under the Foundation Program and is borne as a municipal debt?

A Yes, I understand that.

Q Do you know what the present school population is approximately?

A It - there was a count in January and it was 938 and since that time it has dropped I would think it is probably around 870.

Q Is it anticipated there will be a further drop at the end of June?

A There are a number of families who have stayed in town and the men have gone elsewhere because of the layoff. Some of those people will be leaving when the school term is over. So that one would expect perhaps a small reduction because of that.

Q Has there been any change since the announcement of the Number 9 Mine?

A Yes, there has been a decrease.

Q No, the approval for the strip mining?

A No, no.

Q In your submission, Mr. Williamson, you tell us that there may be costs charged to the school portion of the budget that would properly be attributable to some other facet of the Town's activities, for example, recreational. Do you have any evidence of this, any concrete examples of this?

A Well, we understand that there are some facilities which are shared, used by the school and other parts of the community, such as the ball diamonds for example or the soccer pitch and track field to the west of the school that have been paid for totally out of the education part of the budget. Now, the money has to come from somewhere of course, but the effect of this is to make the education budget look even worse than it

would otherwise.

Q It wouldn't make any difference to the taxpayers as far as giving the support?

A No, I just think it would be a more realistic way of accounting these things.

Q But you are not able to point out specified things in the financial statement for this feeling or concern?

A No, we don't have this available but we understand this is the case.

Q Now, your second point has to deal with - now, in that recommendation you say that the Government bears some responsibility and continued special support is essential. Why do you say that the Government bears some responsibility?

A The Provincial Government is responsible for education in the whole Province to begin with, for the provision of good educational services. Hence those services are to be provided here I think and some responsibility comes from that. Also they were involved of course in the initial planning of the schools in the community and therefore they bear some responsibility for that as well, as well as their general overall responsibility.

Q But general responsibility is what they owe every community?

A They owe that to every community.

Q The special responsibilites you say is because their involvement in the --

A In the planning of this community.

Q At least in your concern, your experience with the educational

facility?

A Pardon?

Q In your experience and your expertise with the educational facilities?

A That's right.

Q Which you indicate to be larger than is presently needed?

A That's right, but they are there and must be paid for, interest on them must be paid.

Q Now, in dealing with the question of the structure of education in the Town, we have already heard that this is a new town. And what are the implications from an educator's point of view?

A Well, this is a new town and when it was established it was established as an urban county I believe, the first and only one in the Province. Because of that the school administration and the municipal administration are merged in the Board of Administrators. And we feel that this probably is not the most effective form of school administration for the town.

Q Can you point to some, can you make that concrete, point to some specific example?

A It is a fairly - I think, administrating the town, both school and municipal affairs is a fairly large and heavy job for people who are essentially volunteers. We think that if a separate education committee were elected totally distinct from the municipal committee that these people would have more time to devote purely to the development of educational services in the community. Their efforts wouldn't be divided in any way as they might, as they are at the present time.

Q You also suggested for example all the school people should be elected as distinct from the present Board which has one appointed member?

A Yes.

Q Why is that?

A Well, it seems to me that people who are resident in the town who have students in school are going to quite naturally be more interested in the school system than people from say Edmonton or elsewhere. They should also perhaps be able to reflect community feeling and the needs of the community more than people who are from outside the community.

Q The existence of a small amount or small number of appointed administrators wouldn't preclude that would it, Mr. Williamson?

A Probably not, no.

Q Does the fact that the Province is bearing extra expenditures here colour your view in any way on that point?

A Well, I suppose that if they are putting extra money into the system they would want to have some representation.

Q But you don't object to that as a Sub-Local?

A Probably not; I think, as we say in our brief, I think, we think that most of that committee should certainly be elected, specifically for school purposes.

Q For school purposes?

A Right.

Q What about the suggestion that exists for a separate school committee, would that improve the situation?

A What do you mean by a special school committee?

Q Mr. Gillies has mentioned a school committee for example within the administration.

A I think that that would probably be an improvement over the existing form however perhaps not as effective as a totally distinct elected body.

Q Now, you also go on in your brief to deal with the position of the teacher in the community and you talk about some professional concerns on page 4. You tell us that the basic ethnic make-up of the community requires greater professional effort on the part of the teachers. What are the problems which you refer to there, the greater concern you have there?

A Well, this is simply a fact just a fact in the Town. The population of this Town is drawn from many places and the students come into the classrooms with many and varied backgrounds which have to be taken into consideration. In some instances students arrived not being able to speak English which we don't complain about but we say it is a fact that should be recognized.

Q Which has to be dealt with?

A It has to be dealt with, that's right.

Q And this professional concern, you say, what can be done about it, other than to recognize it?

A The thing that can be done I think about it is to insure that class loads remain relatively small so that teachers will in fact have time to devote to the special problems that exist.

Q Does that make education more costly in Grande Cache?

A Certainly; yes, there's no doubt about it it would definitely

make education more costly, require hiring more teachers.

Q You also refer to the fact that there is a change in school population in your second point on the professional concerns. That stems presumably from the nature of the industry on which the town is largely based?

A That's right, yes.

Q And is there anything that can be done about that?

A No, there's nothing that can be done about it. It is another fact that should be recognized and perhaps taken into consideration with respect to class loads.

Q Would it make education perhaps more costly also?

A Yes.

Q For the same reason?

A For the same reason, yes.

Q You mentioned also that there is a large staff turnover. To what extent is that a problem; is there a high staff turnover?

A There is a very high staff turnover which is very unfortunate and that causes problems in the school as well. New people come in, they have to adjust to or learn the way the system operates. It is hard on the students they have to accommodate themselves to perhaps two or three new different teachers in a year. It is very difficult to develop consistent, coherent programs when we have as high a turnover as we do in the schools.

Q What can be done about that?

A Well, something should be done to, I think, insure that people as best they can, to try and convince teachers to stay in the

community for longer periods of time than they are at the present time.

Q Why; are you able to say what the cause of this high turnover is?

A Some of the causes are - well, I think the basic cause, the major reason is economics. It is a fairly high cost town in which to live; it is an isolated community; other major groups of employees in the community are subsidized to some extent. Therefore teachers tend to leave and go to places where costs are not as high where they are not as isolated. I think that is the major reason.

Q How does the Grande Cache salary compare to salaries of teachers in other similar sized communities?

A It is considerably less than salaries paid in Hinton or Edson or in that area. We are involved in regional bargaining.

Q Tell me this, was it one time higher?

A Yes, three years ago our salary, our salaries were fairly good in comparison to other areas in the Province. At that time also there was the provision of an additional allowance for the teachers and since that time we have dropped to being, having a fairly mediocre salary schedule and no additional allowance.

Q You say, you refer to this as being partly attributable to regional bargaining; what is regional bargaining?

A Under regional bargaining boards within any area join together to bargain with the teachers in the whole area and we are in a region composed of eight separate school boards and bargaining is carried out in Edmonton rather than on the local scene here.

Q What size of area is represented in regional bargaining?

A This area extends from Jasper to Thiebeau and takes in the County of Parkland, the County of Lac Ste. Anne, Wetaskiwin - not Wetaskiwin, Wainwright -

Q Westlock?

A Westlock, right, Thiebeau, Barrhead, Jasper and Drayton Valley Separate System and Grande Cache.

Q I take it then there is no negotiation then for special rates for this community with the teachers?

A No, that is so, the fact that we bargain regionally makes that quite impossible.

Q And has there in fact been a reduction in the salary apart altogether from subsidies, in the bargaining?

A A reduction in salaries over the period of time?

Q Yes?

A Not an actual reduction as such but a drop in comparison to other areas. Three years ago we had the same salaries, the same salary schedule as Edson did and this year we have a salary schedule which is considerably less than Edson has.

Q Can this school district compete in attracting teachers?

A They have been able to attract teachers but as we point out there is a very very high turnover, well over 60 percent this year.

Q 60 percent is that an accurate figure?

A Yes, that is an accurate figure; it is very very high.

Q And your assessment as to why people will not stay is now basically economic?

A I think that economics is the biggest single reason for teachers leaving.

Q And the types of school that this district competes with, does it compete unfavourably with other districts in facilities to compete?

A Other isolated areas for example?

Q Yes?

A Yes, we are not in a favourable position in comparison to other similar communities.

Q I take it at one point there was some sort of subsidy given to teachers?

A That's right, yes.

Q And that has now been phased out?

A Yes.

Q Is there any subsidization at all, now?

A Well, we understand that there is an indirect form of subsidization to some, to some of the teachers, those teachers who live in the housing that is being provided by Alberta Housing Corporation. This amounts to something like $20 a month. However the rental for these units, many teachers feel is still very, very high but in fairness we should point that out.

Q Are there teachers who own homes?

A Yes, there are teachers who own homes I think there are a couple of them sold recently. I think there would be six teachers who own homes at the present time.

Q Is there any cost of living adjustment made for this community as distinct from other communities in the region?

A None whatsoever.

Q And part of your presentation was the submission that that is something that should be reinstated or reconsidered, that is subsidizing or a cost of living bonus, is that correct?

A That's right; some form of additional allowance we feel is essential to maintain, keep staff here.

Q Not attracting other people?

A Not necessarily attracting them but keeping them.

Q This 60 percent turn-over this year has that been true in the past year as well?

A I don't have precise figures and names but it has been very high every year since the school system has been in operation.

Q Is there any sign of staving this dropping off?

A No, unfortunately there isn't. In speaking to the teachers I would say that most of them who are here with perhaps three or four exceptions are looking for employment elsewhere.

Q Why is that?

A Because they find conditions unfavourable here.

Q Again the salary as compared to elsewhere?

A Yes, salary and high costs and isolation all these factors. That is a very bad situation from an educational point of view.

Q Have you made any study as to whether or not the taxpayers can afford an increase in educational costs that would result in an increase --

A I don't think the taxpayers in the community with the sort of mill rate that we have at the present time, can afford it. I think this money for such an allowance should come in one

way or the other from the Provincial Government.

Q Which would have to be a special grant situation?

A A special grant situation.

Q Would you envisage this extra allowance or this extra subsidization ultimately coming to an end?

A Perhaps as the town develops and the costs drop it could perhaps come to an end in time.

Q Does this concern indicate mainly a function of the increased cost of living here?

A Is it -?

Q A function of the increased cost of living?

A Yes.

Q You have filed with us some material indicating the cost of living here being in the order of 5 percent over Hinton?

A Yes, we have filed documents which indicate that.

Q And that was as a result of a study that you and the United Steel Workers commissioned?

A That is correct.

Q And you filed a copy of that with us?

A Yes.

Q You also advise us that the Edmonton Regional office of the Department of Education had undertaken a study into the Grande Cache School District, a survey report it is called.

A Yes.

Q And the report I understand recommends among other things, that consideration be given by the Board of Administrators

to reinstate the cost of living bonus for teachers?

A Yes, that document states that.

Q What do you envisage by the term "cost of living bonus"?

A What do I envisage by that term?

Q Yes?

A You mean in terms of amount or what?

Q How would it be qualified, not necessarily in dollars and cents you are talking about something tied to the actual cost of living or a flat subsidy or what?

A There have been various proposals put forward as to the form of subsidy this could take. It could perhaps be a housing subsidy as the other subsidies in the Town are in that form. It could be a cash payment. It could take many forms I suppose.

Q Do you think it properly related to the extra cost of living or is it related to the isolation or other factors?

A I think all the factors play a part in this.

Q You say in your brief that the teachers in Grande Cache have dropped from being amongst the most highly paid teachers in the Province to a position that can be best described as highly unfavourable in relation to the rest of the Province. Are there similar communities that are on a lower salary scale?

A There are no doubt counties or regions in the Province whose salary scale may be somewhat below ours but we are certainly no longer, no longer do we have a salary scale that is, you know, on the better half of the Province.

Q And the thrust of your brief I think indicates again your concern with the Province's, that the Province has some special

responsibility?

A Yes, we think they do.

Q Can you elaborate on that beyond what you have already told me or have you covered why you think the Province has some special responsibility in the area of education?

A Because they were involved in the initial planning of the community, they bear some special responsibility.

Q That would relate to the capital costs?

A Capital costs and expenses.

Q Would that special responsibility apply to the subsidizing of the teachers' incomes to increase the teachers' income?

A I think with respect to the fact that it is their responsibility to provide quality education everywhere in the Province that they should certainly consider this because I don't think they are going to develop a really good system here if we suffer from the number of staff turnover, the amount of staff turnover we have had in the past.

Q Do the teachers feel that there has been some any kind of assurance, promise, representation given to them by the Governmentthat this school division would receive special treatment?

A Do the teachers feel that way?

Q Yes?

A No, I don't think they feel that way.

Q I think it is clear that your proposals for increased income could not easily be met out of the system budget?

A No, they couldn't it would have to be something above and beyond

that.

Q Would the taxpayers here be able to support an additional requisition to fund it?

A No, I don't think so.

Q So it does come down to some direct provincial involvement?

A Yes.

MR. STEVENSON: Those are all the questions that I have. I don't know whether Mr. Sabey has any questions.

MR. SABEY EXAMINES THE WITNESS:

Q Mr. Williamson I have one or two questions I would like to have clarified. I am mainly concerned about your portion of the brief dealing with the position of the teachers in the community but before I get to that one thing that rather confused me on the original planning. Did I not see a number of temporary classrooms next to the elementary school?

A Yes, there are.

Q But didn't - did you indicate that the provincial planners had planned for 1250 students?

A That is what the plant has been built for. There is sufficient classroom space there. Some of those portables belong to the municipality and some belong to the school system but I believe there's six that are used in the school system and with those there is sufficient space to accommodate 1250 students.

Q Oh, I see, so this temporary classroom is part of the original plan?

A More or less; it was done --

Q Was it - or did they just plan for the wrong students?

A They just planned for the wrong students. They were purchased originally because there were students here and the other plants weren't built, that was the original reason.

Q Now, Mr. Williamson, turning back to the fourth portion of the brief that the position of the teacher within the community, you have said and I quote. I am reading paragraph 1 of page 4:

> "The basic ethnic make-up of the community with its population drawn from many and diverse backgrounds requires greater professional efforts on the part of the teachers. Adjustments of courses and programs, re-evaluation of standards and, in general, a continual cognizance of differences in students' academic, social and cultural backgrounds places greater demands on teachers."

Would you agree that that also places greater demands on the community?

A Oh, yes, I think, yes, I would agree with that.

Q In paragraph 4 you start to discuss what you call the inordinately high staff turnover and you have indicated that is some 66 percent out of 47 in the last year?

A Yes.

Q You have indicated later in the brief that there is low morale among the teachers and you have indicated this morning that is probably due to economic considerations. One other thing, do you get newer teachers here?

A Newer teachers?

Q Yes, do you get a disproportionately higher number of newer

teachers?

A We get quite a number of first year teachers, that is right. And one's first year of teaching is difficult anywhere and probably extra difficult here.

Q Sir, you have then on page 5 and Mr. Stevenson has gone over this. I will try and be very brief. You have discussed the economic concerns you have. You have said as Mr. Stevenson indicated that at one time you had a relatively favourable salary grid but that it has now declined to the point where I believe you said it was mediocre?

A Yes.

Q Now, is that because of the base salary changing or because of the subsidy being taken away?

A It is because - it is for both reasons, sir.

Q Can you tell me just what would be the average income for one of your teachers?

A The Superintendent of Schools did a calculation on this at the beginning of this school year and I think the average salary came out to somewhere in the vicinity of $9,000.

Q That is total income?

A That is total, yes.

Q Now, sir, you indicated earlier that there were only six out of forty-seven teachers who own their own homes?

A That's right; I believe I have to count fingers here.

Q Well, roughly?

A Roughly, yes.

Q You're within the ball park?

A Oh, yes, certainly under ten.

Q And you attribute that to the low salary scale?

A That's right, I don't think teachers are going to go out on a limb and build houses here considering the position that they are in relative to other communities.

Q Well, specifically, sir, on page 7 you indicated that the teachers with their salary schedule cannot compete with the industrial employees. You have talked about the McIntyre or Alberta Housing employees who receive $100 per month in addition to their income?

A That's right.

Q Now, sir, you do recommend some subsidy for the teachers to enable them to compete. Let me ask you would you be content with the same subsidy which is received by those employees of Alberta Power and McIntyre Porcupine?

A I think the teachers would be extremely content with that. I might say, overjoyed.

MR. SABEY: Thank you very much.

MR. STEVENSON RE-EXAMINES THE WITNESS:

Q Arising out of what Mr. Sabey asked you the Department of Education study indicates so we can give these figures to the Commission if I read them correctly that the present approximate plant capacity of the school is 1230 students, is that correct?

A That is correct, yes.

Q And you would accept that as being a reasonable assessment?

A Yes, I would accept that.

Q And I understand of that number 210 would be accommodated in four portables?

A Right, seven portables.

Q So that even without the portables the plant would support a thousand students?

A That's correct, yes.

MR. CRUMP EXAMINES THE WITNESS:

Q Mr. Williamson, the only question I have, Mr. Williamson, and you might clear it up for me. You say, you spoke at some length of the bargaining area and it's confines which I believe includes Jasper?

A That's right, yes.

Q As compared to Edson?

A Yes.

Q Which is not in your bargaining area?

A No, this, the Board's, it is entirely up to them whether they join one of these regions or not and the Yellowhead School Division Board decided not to, that is they are not in our region.

Q And your conditions here are argued on the same basis as these teachers at Jasper?

A At Jasper or Thiebeau.

Q Or other parts of this area?

A That's right.

Q But Jasper probably is the principal town other than Grande Cache in that area?

A I beg your pardon?

Q Is Jasper the principal town in the bargainin area other than Grande Cache?

A Well, there is one, Drayton Valley Separate System is in it as well and another school division, district, Thiebeau.

MR. CRUMP: Thank you.

MR. PATCHING EXAMINES THE WITNESS:

Q Barrhead and Westlock?

A Barrhead and Westlock, yes.

Q Those are fairly stable farming communities?

A That's right, well established.

MR. CRUMP: Well, thank you, Mr. Williamson, for coming to us today. You can stand down.

(Witness retired.)

MR. STEVENSON: That is all the witnesses we propose calling. We had originally intended to call the Grande Cache Chamber of Commerce this morning but their brief was just received last night. So I would suggest that we adjourn until 9:30 tomorrow morning.

MR. CRUMP: This Hearing stands adjourned then until 9:30 tomorrow morning.

PROCEEDINGS before The Board of Commissioners at Council Chamber, Town of Grande Cache, Province of Alberta, commencing at 9:30 a.m., Wednesday, June 13th, A.D. 1973.

---

MR. CRUMP: Mr. Stevenson, it lacks the odd minute to 9:30 but I suggest we proceed.

MR. STEVENSON: Gentlemen, the first witness this morning will be speaking on behalf of the Native Area Development Committee. Mr. Joachim. Mr. Joachim, perhaps you would like to come up and get into that chair.

Mr. Joachim would have preferred to give his evidence in Cree. However we have not been able to obtain the services of an interpreter and he has agreed with me that he will try to give you his evidence in English and if anyone has difficulty in hearing him or wants a question repeated, you will bear patiently with us as we do that. Mr. Graham will you administer the oath to Mr. Joachim, please?

KELLY JOACHIM, sworn, examined by Mr. Stevenson:

Q Mr. Joachim, you are the President of the Native Area Development Committee, is that correct?

A I am, yes.

Q Where is your home?

A Down Wanyandie Flats, below the mine, Big Smoky River.

Q And were you born in that area?

A Yes.

Q I understand that your family have lived there for many years?

A Yes, I lived with my grandfather, you know. He is 82 and his father was living and was born there too. That has been so many years.

Q I understand that your great-grandfather was recorded as trading in that area?

A Yes, it is, yes.

Q And I take it there are some other native settlements in this area?

A Yes, there one Muskeg River, 20 miles from here; Suza Creek area, Grande Cache Lake, Victor Lake and Joachim's area where I live and one other farther down stream, Big Smoky, that is six.

Q How many families would that be?

A There are about 45 or 50, oh, about 210, 215 people.

Q And before the mine development and the town development how did these families make their living?

A We used to be hunting and guiding, trapping and summertime people just come in, the church in the summer and visit and other meetings and spend like that.

Q The summer was a meeting time?

A Yes, and visit, you know, and church and things and buildings you know, build the buildings.

Q We'll go back Mr. Joachim, a meeting time and the church came in?

A Yes.

Q And what else was done in the summertime?

A Most some breaking horses and maybe trapping, cabins to build, you know. A guy going to use in the wintertime you know.

Q I understand; now, when the mine and the town came in, that was changed?

A Yes, was big change, changed our lives, you know. And of course communities go right through - the roads and the town, you know, where we used to have pack trails and guiding and hunting chased away, our fur trapping kind of moved so we couldn't do those things, slipping away, you know. We used to be running our traps, nobody else, you know, to come there. You got to do it this way. Our bosses, you know, could live, no trouble, but since Town, you know, kind of makes it, you know, things had to work, maybe the other construction.

Q All right, now, all of the old ways that you were living were changed?

A Yes.

Q And you have told us traplines were disrupted?

A Yes.

Q Game chased away?

A Yes.

Q And were some of the homes moved?

A Yes.

Q You finally I gather, from your brief, from the brief that was written for you, made a settlement of your land problems with the government, is that correct?

A Yes, this was a land problem we had. We don't have the land,

A (continued) you know, we couldn't do anything and so much, all kinds of trouble you know, with the people did and you know, horse problem and a lot of different things and so many people came, you know, and we had a land tenure, you know, last month, final signing.

Q Last month was the final signing?

A Yes.

Q So you now have settled the land tenure problems?

A Yes.

Q And was that done through this Committee?

A Yes, it was and of course we work in this, used to be some Metis Association and Carmen Loberg --

MR. CRUMP: Mr. Joachim, would you speak a little slower please.

Q MR. STEVENSON: You settled the land tenure problem. Did the Committee do some of the work in settling the land tenure?

A Yes, we are organizing here, you know, all the people. Like, we get lawyer in Edmonton we deal with and other guys, you know, and Bob, help us and those in town, you know, help us to get our land.

Q And you have now signed that settlement?

A We got to sign that.

Q You told me there were 45 families; how many people would that be roughly?

A Would be 210, 215, somewhere there, little kids, you know, some

A (continued) of them.

Q Are you able to work in guiding now or are there problems; what are those problems?

A Yes, like we had here, but people like, not that much, you know, been guiding since the roads and the back trails, you know, destroyed and some places, you know, we couldn't go through horses, you know, things like that and since we, nobody much really lacks education too --

Q No, stop for a second. You say that some of your people lack the skills?

A Yes.

Q And education to deal with the problem now?

A Yes.

Q Tell me, do you do - do some of your people want to go on doing guiding?

A Yes, these people generally interested in this, you know, they been doing for many years. Like that job, we know pretty well bush life, you know. We know can make money and that's why people like to continue that business and trail rides and fishing and then all the year round we try to break land, you know, hay, growing so we can be using the year round at this place.

Q So you are trying to develop a year round guiding business?

A Yes, that's right.

Q And what kind of help do you need?

A Yes.

Q What kind of help do you need in doing that?

A We need, like, those, how to handle business like. Carmen and Bruce Morrison, you know, they can help us out to deal with the guys, you know; writing letters and show us how we can do the same, you know, telephone and whatever business like that. Maybe I got to have somebody like the guys here and some of them, horse club, you know, and they can help us out to run in more better guiding in our business, to hire a guy with experience.

Q You need some expert help, some experienced help?

A That's right.

Q What kind of things are the native people looking at now; what kind of things are they working at, now?

A More like logging, you know, and some of the other guys worked in, you know. But most guys, we start to work on our own, you know, and land whatever it is, you know, and trail rides, breaking land, you know, fencing, pastures, but no more a lot of logging work. Some work in store jobs in town here.

Q Before the mine came, did the native people do any sort of farming?

A Yes, this farming we used to do it even as quite a few and it was almost those areas had the cattle, you know. But since we had no help to break it, to growing hay, you know, no machines and no roads and so sold those cattle, you know, and pretty hard. So, kind of since construction came and we tried to do it a different way.

Q Now, some people are working in the logging, now?

A Yes.

Q Logging for whom?

A Kakwa Logging, that's what we call it.

Q Is that the main?

A Yes, that is the main, the main crop, lumber, whatever it is. The only guy here around can work.

Q Is Kakwa?

A Is Kakwa, yes, that's right.

Q And some of the native people working in labour work?

A Yes, most of the people was labour, yes.

Q And are some working in gardening?

A Yes, a few guys working in gardening.

Q Do you need some help to organize that?

A Yes, we do. We don't have any things for gardening with, you know, machines to break it. So, we can get like a loan, you know, to get machines for help, you know, how to run it like, local guys can help us, what you call it, consult, you know.

Q Do the native people want to stay here and find themselves jobs of their own and find work for themselves?

A Yes, like there would be, we like to work ourselves. Another few years time, you know, maybe there no labour jobs. We people don't need the welfare, you know, unless old guys and cripples. But as well, you know, if we go to welfare will spoil the whole community.

Q You don't want welfare?

A Yes, we can build our living, you know. We can manage ourselves.

Q You want to manage yourselves?

A Yes.

Q And what sort of things is the Committee going to do; what do you want them to be able to do from now on; what kind of things will committees do to help?

A We need more leadership and like, those guys who help us out, new life skills, you know.

Q That is what you want is helping?

A Yes, need help.

Q What, do you want help in creating new skills and new employment?

A Yes.

MR. STEVENSON: Thank you, Mr. Joachim, those are all the questions that I have and I am going to ask Mr. Loberg to give us some evidence to fill in some details.

MR. CRUMP: Are you finished with the witness?

MR. STEVENSON: Yes, sir.

MR. CRUMP: Mr. Patching, have you any questions?

MR. PATCHING: No, I haven't.

MR. CRUMP: Mr. Graham?

MR. GRAHAM: No, I haven't, sir.

MR. CRUMP EXAMINED THE WITNESS:

Q I have one. Do you work - I take it from your jacket that you work in lumber for Kakwa Logging Company? Were you a logger?

A You mean myself?

MR. CRUMP: Yes?

A Yes, did work a little bit but like more I had organization, you know, the area and help them people here. I got like myself a cripple, this leg was tangled by a grizzly you know, a few

2-BB-9
K. Joachim - Crump Ex.
C. Loberg - Stevenson Ex.

A (continued) years, 1968, so I couldn't stand those logging but my people, you know, keep working those things,

MR. CRUMP: I think it is well understood in this room that you are an organizer.

MR. STEVENSON: Mr. Sabey has no questions.

MR. CRUMP: No questions, Mr. Sabey?

MR. SABEY: No, thank you.

MR. CRUMP: Thank you very much, Mr. Joachim for coming.

(The Witness Retired.)

CARMEN LOBERG, sworn, examined by Mr. Stevenson:

Q I understand Mr. Loberg, that you prepared this submission which was made on behalf of the Native Area Development Committee to this Commission?

A That is correct.

Q And this is a copy of the submission which was signed by the members of that Committee, is that correct; this is the original?

A That is correct.

MR. STEVENSON: That will be entered as Exhibit number 9.

SUBMISSION OF THE NATIVE AREA DEVELOPMENT COMMITTEE MARKED EXHIBIT 9.

Q MR. STEVENSON: Mr. Loberg, what is your position with the Native Area Development Committee?

A The title is Administrator for the Committee; the role I guess

A (continued) is kind of a many facetted one with responsibility for interim kind of administration and management, about half of the responsibility; and the other half being - providing experiences for the native people to learn skills to do those jobs themselves so that as soon as possible they are able to look after their own affairs.

Q Now, Mr. Loberg, you prepared this brief. Have the matters that involve the native members represented in this brief, been discussed with the Committee?

A At some length; really the writing in the brief is kind of a submission, a summation rather, of our work and discussions with the Committee over the last year.

Q All right, how is that Committee formed, the Native Area Development Committee?

A In terms of its membership?

Q Yes?

A It consists of a representative from each of four areas, Smoky River, Victor Lake, Grande Cache Lake and Suza Creek and Muskeg and then a president elected by the total community.

Q Could you tell me how this committee came into being; can you tell me the history behind the committee?

A Traditionally, before the coming of the Town there really was no base of local leadership in the native community. They lived spread out along their traplines and there was no need for the kind of community association or organization and with the intrusion of the Town, the native people suddenly had to

A (continued) organize or get together to protect themselves, and to try to figure out a way to deal with this new environment. I was really thinking prior to coming here this morning and have been since I came to Town myself, trying to understand really the magnitude of the intrusion into the native people's lives. They heard rumours before the railroad came and the Town and the mine but had no way of really understanding the enormousness of it, of the kind of change that there would have to be in their lives.

Q And did they establish this committee?

A I think the principal kind of rallying point for the committee was the need for land tenure. That came out of some need to protect the settlements. The white culture and industrialization were tearing through their lands; building fires all over their lands, shooting horses. It is reported that the houses, native houses have been shot at by white people. And they had no vehicle to protect themselves; they decided to get together and form a committee and then to solicit help to get their job done. So it was really their gesture I guess.

Q Now, this, the current Committee of which Mr. Joachim is the President is an elected committee?

A It is elected for a one-year period of time.

Q When was the last election?

A May 24th.

Q And how many of the native members, of the native families, got together for the purpose of that election?

A We had 59 or 60 voting members of the community present. I would think that is out of a potential of about 80 eligible voters.

Q Where did they come for that purpose?

A We maintain an office and kind of meeting room in a building called The Alberta Vocational Centre Trailer which is owned by the Town and given to us to use for conducting our business. And we have regular monthly meetings there.

Q So all these people would come from the outlying areas for the purpose of this meeting and election?

A That is correct.

Q Are these communities spread out; what kind of communication did they have between each other before the advent of the railroad, the mine and the Town?

A Principally they got together in the summer and traplines occasionally, you know, intersect and guiding trips, things of that nature would bring them together off and on but prior to the Town they were basically localized around the six areas that Kelly mentioned in earlier testimony.

Q How was the Committee financed in its earlier years, Mr. Loberg?

A The Committee was formed in 1970, mid to late 1970 and they operated strictly out of their own pocket; any expenses incurred they came up with; any loss of wages where they had to attend the meetings or travel, anything of that nature, they came up with. In 1973, January of this year, they received a grant of $20,000 from the Honourable Mr. Alan Adair as seed money to

A (continued) begin the developments, carry on the developments that they had been working at for just about three years on their own with no assistance.

Q Prior to that there was no direct financing of the Committee?

A None whatsoever.

MR. CRUMP: If I could hold you up for a minute, sir, there is a bench at the front here for those who are standing.

Q MR. STEVENSON: So that there is now some financing or at least there has been one grant from the Minister responsible for Northern Affairs?

A Yes, the original grant is virtually expended. It was due to run out at the end of last month. That was our projected time and we have managed to kind of prolong the thing a bit. There is another budget before the Minister of Northern Development for the next calendar year, the year twelve months following in the sum of $39,600 which would be the development monies for the next year.

Q Approximately how was that money used, the $20,000; what was it used for?

A The twenty thousand?

Q Yes?

A $4,000 was allotted to administration and that includes the cost of myself and on a half-time basis and a secretary and the administrative expenses of the Committee. They received a twenty-five dollar honorarium for one meeting per month and any

A (continued) additional time for that, there is no compensation for their time. $7,000 of that was put into recover a fund that had a 6300 dollar liability on it, that had been used for employment projects and various things by another organization that had been dealing with native people here. $6,000 was put into brushing and seeding - actually there was $5,000. And then the rest was put into the general development fund as seed money and for starting specific projects.

Q By seed money you don't in this case mean agricultural?

A For planting hay, initiation money.

Q Tell me this, Mr. Loberg, prior to the coming of the Town and the industrialization that you have mentioned, was there any history or record of provincial welfare support in this community?

A Prior to that there was no record that I have been able to find.

Q And these communities were self-sufficient?

A That is correct; they virtually had no contact with the outside whatsoever. There is some record in the early 1930's of an attempt by this area to reach out for land tenure and later there were occasional visits by medical personnel from the Hinton area.

Q No, with the problems that were created by industrialization, is the term you used, how did the Committee go about dealing with the problems and what attitude towards the industrialization has the native community shown?

A I think an extremely lenient and co-operative kind of attitude.

A (continued) I was very impressed when I came into the community at the lack of animosity the natives feel towards the industrialization; the co-operative attitude they have and the patient attitude they have towards the government. The land tenure settlement was kind of delayed over pretty well two years longer than that, actually it began in earnest in about 1969 and it was then finally signed a month ago. So it has been very co-operative; they changed - rather than saying, you know, "Society has ruined our life, the industrialization has ruined our life, therefore society must keep us," they are saying, "We need help to be self-sufficient, like we once were, in the new kind of environment that we live in."

Q What does the Committee and you envisage as being necessary to create this self-sufficiency; what kind of things do you think can be done?

A I think that a very strong base has been built for that kind of thing but we need a commitment from the government and the continued co-operation of the private sector to follow through on the development course that the native people are selecting and in terms of that development we are putting the onus on them and they are accepting it, for guiding that development; not under our leadership but with our assistance or consultation.

Q Tell me, does the Committee actually make the decisions that project "A" or "B" should be undertaken?

A Yes, and generally that is made in response to requests from the community so there is a very strong action from the

A (continued) community that the Committee then kind of deals with and looks after and this facilitates into --

Q What kind of ideas have come forward from the natives that the Committee wants to work on?

A Land tenure of course, has been the most significant one and then with that provision has been made to fence the land. There has been some fencing done to protect particularly the Victor Lake area; some work has been done to facilitate - like, there is one kind of strategy and that is the kind of long-term strategy that they have selected, rebuilding their traditional pursuits, yes, so that they can use them as a base to live now and also starting new businesses; but in the meantime there are kind of interim needs. While we are building and upgrading the guiding and outfiting industry, you know, people need money to live and so there has been some leg work done, you know, encouraging employment of native workers as short-term labourers, loggers, whatever.

Q What kinds of things do you see as being long-term; you mention guiding, hunting?

A I think that would be probably the backbone of it, guiding, outfitting, trail riding, industry based on traditional skills and expanding the agriltural industry. Seeded this year, actually in the process right now, of seeding about 450 acres of hay and that will tie in to providing hay for the light horse industry and also can be sold as an economic pursuit. There is I think a key area, given the land we have and the

A (continued) skills people have, is to capitalize on the tourist potential. We've long believed that tourism is a way that native people, is a vehicle through which native people can earn their living and be self-sufficient. To that end we try to take the initiative or the leadership to take tourism from the idea that people have always said since the Town was started, people talked about, you know, industry or coal mining going hand-in-hand with tourism. What really happened was the coal mine and the Town developed and tourism kept being the thing that people sort of talked about as a good idea for a second industry. We negotiated with an Edmonton hospitality consulting firm to try to find out how we could get the real information that we needed to actually start working on developing tourism. We lined up a tourism feasibility study for this area. I understand it was mentioned in testimony yesterday. The terms of reference for that study as we drew them up would be an assessment of the resources for tourism that are here, the natural resources, the resources that are here in the way of accommodation in the Town and the kind of resources that people have as skills that could be developed into tourism and that with that we would get a clear kind of map or set of "how to" recommendations to get tourism going to move it out of the theoretical idea and into the operational idea.

Q And the research study was one that the Native Area Development Committee intended to commission?

A That is correct; we had secured a verbal commitment from

A (continued) Ministers Dowling and Adair to fund the study and they had agreed on the terms of reference as a study. And as the letter of intent was being drawn up to initiate the project, layoffs at the mine occurred and subsequent events as my report stated, held the study up and just prior to the Commission arriving in Town I talked to Mr. Dowling on the telephone. And his statement to me at that point in response to my question of where is the tourism study at right now, was, "well, we don't really feel we can go ahead with it because it might be construed as a conflict of interest with the Crump Inquiry.

Q And had you arranged to employ consultants in Edmonton?

A It is our intention that if we had the letter of intent we would contract with Hospitality Systems Research Limited of Edmonton.

Q And you expected them to undertake this survey and tell you what to do as well?

A That is correct.

Q I understand. Now, has the Committee done any work in the areas of relationship with the Town, with schools, with education, any of those things?

A There have been several developments along that line. The native people, the Native Area Committee has met with the Parent Teacher Association, the Board of Administrators for the Town with members of the Chamber of Commerce at various times around various issues ranging from the problem of horses to problems within the school system. They organized themselves in response to your question about education, an adult school

A (continued) which was operated in here under Alberta Adult Vocational Centre, AVC and last year they encouraged the local school system, the Town school system to start a special education class for native children who had never before been in contact with a school.

Q Does the Committee have fairly solid support from the native community?

A I think very solid; the percentage of voters that turned out at the election I have described is a significant indication that people are interested and there is a lot of communication from the community to the Area Committee members.

Q Has that support been behind the Committee throughout?

A It has been sorely tried on occasions with - the Native Committee was caught between the government and the people in the land tenure settlement and when that kind of a settlement would draw out over something in the neighourhood of three, almost four years, at that point the people were rapidly losing their patience and the Area Committee was caught in-between them but with the final signing the developments that are taking place, that kind of commitment has rebuilt.

Q Is there any competition in effect to the Native Area Committee in dealing with the native needs?

A The only competition that really exists is that which has been brought forward by the Metis Association of Alberta and there have been various overtures and gestures for them to kind of bring native development in this area under their wing. None

A (continued) of those gestures were ever followed through on by them and as a result the people in the communities have said, "We clearly get our help from the Area Committee," and so that is where their primary loyalties are.

Q In your brief you do mention to us that tourism has long been proposed as a second industry in this area. Where do you get that from; where do you get the idea that that is a proposal; who created that proposal?

A Representations by the media according to my recollection when the coal industry was first being opened up here, referred on several occasions about the tourist potential in this area and I think lots of other people have referred to that being a potential in that people were realizing that the national parks were rapidly filling up and that tourism was a pretty significant economic venture, you know, could see that in this area there was some potential.

Q I noticed a reference at one point to a native co-op operating in a certain area; what is that; is there a native co-op of some kind?

A The landholding groups are formed into co-operative associations or limited partnerships. There are two limited partnerships that being the Association of Grande Cache Lake and at Joachim's just over the hill on the Smoky. The rest of the landholdings are held by co-ops. In the brief and in the appending documents there is a fair amount of information on the nature of the land-holding and rather than the government giving any individual nati

A (continued) person title to a specific section of land they have given associations of native people title to land and then, you know, the native people in that area hold membership or hold ownership in the association.

Q And is that co-op for the management and development of particular lands?

A That is correct, and administration I guess it would be, the administration of it.

Q What are the broad educational needs that you mentioned?

A The key kind of need I think is in terms of life skills, the development of skills that it takes to get along in the modern urban or white whatever you want to label it, kind of society. There is need for academic upgrading, a need for some management kinds of skills in terms of looking after their own businesses and there is need for some refinement in terms of the guiding and outfitting industry; certainly they don't need training in how to guide, like how to locate game, but there is room for training in the kind of sophisticated handling of high-paying customers who demand service. So those are some of the general educational needs and objectives that the Area Committee has.

Q What is the importance of the Kakwa Logging operations you mentioned in the brief?

A Since its operation Kakwa has employed approximately 40 native people as loggers. That is employment for a fair percentage of the people. That of course has a spin-off economic effect on The New Town in that the native people in this area spend

A (continued) virtually every cent they earn in The New Town. Local merchants on occasion said to me during Kakwa's spring layoff when they closed down for the spring break-up that they were really feeling the pinch because the native people didn't have the money that they usually spent. Logging is the kind of industry that is closer to their traditional pursuits. It is work in the forest, it is work that they know how to do, and in that sense it is labour for a large number of native people.

Q There is no general interest by the native people in the mine?

A The native people work in the mine; it astounds me. Generally they are not interested. They don't tend towards to underground mining. The jobs that they perform for McIntyre are labour jobs on the surface or in the prep plant.

Q Now, let me go back a moment. You mention that you had this desire, or the natives indicate the desire for self-sufficiency. Have you made any indication of what it would cost in the way of welfare if this community was not self-sufficient?

A We have done rough projections on that and conservative estimates allowing that some people would work anyway and some of them even with development, the disabled and the unemployable would have to take welfare, it would be in the neighbourhood of $100,000 a year. And of course I would anticipate that would grow as families grow and as the communities grow and as costs rise.

Q What is it that the Committee seeks from government?

A Specifically they seek the kind of commitment to follow through

A (continued) on the development plan, giving the local initiative, responding to the initiative of the local people. I think in terms of the dollars and cents involved it would be - our next budget is approximately $40,000, our anticipation is it would take about four years to really make native people and their business self-sufficient in this area for maybe five years, maybe less, if we're lucky and if we get the kind of help we need in the interim. Our anticipation is that financial requests from the government would not exceed approximately $50,000 a year; hopefully we could decrease that.

Q For how long a period of time is this an ongoing thing?

A That would be nothing more than four or five years.

Q Is your concern that you don't know from one year to the next?

A Very much so; that is an extremely difficult kind of way to operate. If we knew that we had say three years then we could plan our development over those three years and when we do not know if we even have next year, it makes it very, very difficult to do any kind of constructive planning or long-term planning.

Q That is the development of projects; is that the initiation?

A That is correct.

Q And that is what the Native Area Committee seeks on behalf of the native community?

A That is correct.

Q And nothing beyond that except what is available to everyone?

A I think that an additional comment that is appropriate that wherever possible we seek to bring in the private sector or

A (continued) other kinds of resources and we turn to the government only for assistance that we can't get anywhere else.

MR. STEVENSON: I think, Mr. Loberg, those are all the questions that I have. Mr. Sabey has indicated he has no questions.

MR. CRUMP: Mr. Sabey?

MR. SABEY: No thank you, Mr. Chairman.

MR. PATCHING EXAMINED THE WITNESS:

Q I was just wondering in considering tourism, there seems to be any potential for trail riding or what you might call dude ranching?

A I think there's a fair potential for that. We have one native person who has formed a ranch called the Diamond "G" Ranch and it is his intention to develop the trail riding and then fall big game hunting, outfitting kind of operation. Trail riding operations are springing up all along down the eastern slope of the mountains. And I think the potential is there it is just a case of getting it promoted and then getting the quality service to the people who choose to take part in that.

Q This would extend the season longer than just the hunting season, wouldn't it?

A It certainly would, this is correct. Conceivably unless there are significant changes in The Game Act guides and outfitters in this area could be busy from the beginning of the bear season which is early spring then, during the summer pursuing the trail riding that sort of thing and then the big game season through

2-BB-25
C. Loberg - Patching Ex.
- Crump Ex.

A (continued) until Christmas.

MR. CRUMP EXAMINED THE WITNESS:

Q Perhaps I shall simply stand here, Mr. Patching - I am familiar with the Brewster development of trail riding in Banff and was on that trail ride. I was very interested to see it in your brief. There's just one or two questions that I would like to clear up. First, I don't know whether perhaps you are the proper witness for this question, if not why, say so. But could you tell me if the Kakwa Logging you mentioned that shut down in the break-up, can you tell me if they are logging now or living off inventory?

A Right now Kakwa is sawing the timber that is in the yard that was brought in prior to the expiration of their cutting rights.

Q They are living off inventory then?

A That is correct. We have made repeated attempts at trying to find out what the plans of the company are and they have all been to no avail.

MR. CRUMP: I would like to say to you, Mr. Loberg and to Mr. Joachim that I think this is a very excellent brief. And you have one profound statement on page 16, where you say:

> "Many people have said 'tourism is what should be developed in Grande Cache;' no one has said how!"

And that is one of the purposes of this Commission, to look into the development of secondary or ancillary means of employment in this territory and we were hoping to get more constructive suggestions as to how the tourism industry in this section of the

2-BB-26
C. Loberg - Crump Ex.
F. S. Cooke - Stevenson Ex.

MR. CRUMP (continued) country could be promoted without too great a lead time. Now, Mr. Reporter, that is l-e-a-d which we had trouble with yesterday.

Thank you very much for coming, Mr. Loberg and Mr. Joachim.

MR. STEVENSON: Mr. Commissioner, I wonder when these witnesses retire if we might take a brief adjournment to rearrange the seating?

MR. CRUMP: Yes, it is rather unfortunate that we haven't enough capacity, ladies and gentlemen. We were to hold these hearings in the courtroom across the hall but it would have been even more cramped than this. So shall we adjourn for ten minutes and get some more seating.

(Proceedings adjourned at 10:20 a.m. and resumed at 10:30 a.m.)

MR. STEVENSON: Mr. Graham, the next witness is Mr. F. Stewart Cooke; would you administer the oath to him, please?

FRANCIS STEWART COOKE, sworn examined by Mr. Stevenson:

Q Mr. Cooke, what is your position with the United Steel Workers of America?

A I am an international representative attached to District 6, United Steel Workers of America.

Q And how many members are there in District 6?

A 125,330 as of the 28th of February.

Q And what area does District 6 comprise?

A Briefly, sir, it is the area from the Quebec-Ontario border to

A (continued) the Pacific Ocean; from the U.S.-Canadian border to the Arctic Ocean.

Q Within your district, how many of your members are in coal mining?

A We have only three operations in coal mining; one at Fording, one at Carmax in the Yukon, which is a captive of Anvil and this operation here, McIntyre Porcupine in Grande Cache.

Q And are there others in mines that are not coal mines?

A Oh, yes, we have the potash fields in Saskatchewan organized; we have the nonferrous metal mines covering lead, zinc, nickel and so on that are throughout the district and the iron ore mines in the district, gold mines, silver mines. We cover the Timmins-Porcupine area, the Kirkland Lake area, the Red Lake area, the Sudbury area and others in Northern Ontario. We have the Thompson area and the Lynn Lake area in Manitoba. In Saskatchewan the potash mines, the Northwest Territories there are four or five mines there, the Yukon with its some eight mines there and British Columbia with its mines up and down the coast, and in the interior.

Q The Union is the bargaining agent here for what class or classes of employees?

A Production and maintenance employees, generally.

Q I take it your home is in Toronto?

A Yes, sir.

Q And I take it also that you were responsible for the preparation of the brief that has been submitted to this Commission?

A Yes, sir.

Q Could you tell me how you went about preparing the material for this particular brief?

A We visited Grande Cache, myself and a junior member of our staff about a month ago and interviewed members of our Union, taking statements directly from them. Then we, together with other material that the Alberta Union had on file, prepared the statement from that.

Q By way of preliminary inquiry I might ask you how many employees of McIntyre Porcupine are now members of your Union here; can you give me an approximate figure?

A Between 440 and 450, I think.

Q And can you tell me what it was prior to the end of the year, that is prior to the layoff we have heard, first in evidence?

A Be about almost 600, 580 to 600.

Q Now, Mr. Cooke, I have the submission that you filed with the Commission, is that your submission?

A Yes.

MR. STEVENSON: May we mark that as Exhibit 10?

SUBMISSION OF THE UNITED STEEL WORKERS OF AMERICA MARKED EXHIBIT 10.

Q MR. STEVENSON: Now, in accordance with the practice Mr. Cooke, the Commission has been provided with this submission and it is available to the commissioners. We would, however, like you to give us some resume or some introduction to the matters that concern you in connection with this brief. As far as this brief is concerned, what particular object are you .

Q (continued) concerned with as far as this submission today?

A Basically with the problems that face our people here, as opposed to the general picture that is laid out in the terms of reference, we felt that these points were of sufficient value to separate them from the general position that might be put before the Commission and therefore wanted to make a separate submission on that. I would like if I could to make two corrections; they appear on page 13. No, I am sorry there are three corrections but page 13 is the first area. We have stated in the second paragraph, the fourth line, that there were six men died and there were actually seven. In the penultimate paragraph we have the statement that there was a ten-day wildcat strike; that has been modified slightly in the paragraph but the fact is that was determined not to be a strike by the Labour Board here. So I want that to be accurate.

Q What word would you substitute for strike?

A Sir, the Alberta Labour Board made a determination on that. I wasn't, I haven't read the Labour Board's determination and I am not just sure that they said lock out or what.

Q Would stoppage be a neutral term that we could suggest?

A It certainly was a stoppage, sir.

The other change, sir, I would like to make is the top of page 16 where it states that the Company didn't want to pay any severance pay and that is not true. The Company had a policy, long-standing, about severance pay and I wish to correct that. They did negotiate about who would be involved in it and so on

A (continued) but that's not accurate as it states.

Q Thank you, Mr. Cooke. Now, I take it then, what you are doing, is dealing with the relationship of the workers to the mine in this community and that your Union will in fact be making another submission in Edmonton in respect of other aspects of the terms of reference of this Commission?

A That's right, sir; our feeling is that there are basically three things that should be looked at today from our point of view; one is the feeling on the part of the people that commitments that were made to them have not been lived up to. The second one would be a dropping in moral of the work force and a third would be perhaps related but a falling in the faith of the employees in the management of the Company. These things relate from the beginning to the interviews that people had with representatives or agents of the Company in far away places, Cape Breton and areas like that in Canada. The Midlands of England were many of the work force here were drawn. The stories they have told us indicate that they in some cases did not get the kind of re-establishment grants that they said they would get. That housing costs were not represented to them to be the housing costs that they were faced with when they arrived here. That the numbers of economic conditions for example, it was represented to them that the heating costs would be so and so and I think that is accurate but it was kind of left with them that would be their total utility costs and that of course was quite a shock to them. They were attracted by, certainly

A (continued) from the Midlands of England by what looked to be substantial economic improvement as represented by wages both in the net form and in the gross form and they were told that their elements of their household furnishings could be left behind because there would be discount prices available to them here. They felt they had been betrayed in this area. They felt, sir, when they arrived and saw, I am talking about now qualified miners with many years of experience in the kind of mining that they - and they find that there were not the right kind of mining techniques being employed; they didn't have the right faith in the equipment in some cases and they felt that there was a lack of understanding of the problems by those who were directing. I think those who will give evidence here today will indicate that the safety conditions in the mine were such that the miners know they have to work safe or they can't work at all. And their feeling of safety reflects their whole ability to proceed with the job of extracting whatever is being extracted, in this case, coal. They were of course, faced with the fact that therewere a substantial number of people in this mine injured and killed. I am not exactly certain of the figures but it seems to me that something in excess of 60 per cent of the deaths in the mines in Alberta have taken place here. These have an affect on the ability of miners to apply themselves. I think, further sir, the moral dropped because people considered they had been given a commitment for 15 years of work at least. I heard this from almost every source of

A (continued) interview that I had. Some said that they were committed to 15 to 30 years; some said 15 years definite with prospects of another 30 years. And when they saw the kinds of dislocations and the lack of ability to proceed the moral has dropped. I might say this past year's happenings, the moral was very low. I was in here a year ago and at that time, prior to these current layoffs having an effect, people were talking to me constantly about mismanagement at the mine. They were talking about the kinds of things that indicated to me an irrational almost lack of desire to stay in this community and everybody said as I was and I am sure all of you, when you first arrived here said, "My, what a beautiful place." And you see these kinds of homes available with the subsidy that the company makes on housing at the price of housing, monthly payments available for housing and so on in relation to other parts of the country, you could make a story that ought to have another attitude. I know miners well enough to know that, and workmen generally, well enough to know that they like to be proud of their management; they like to be proud of their companies; their natural feelings are that their companies are tough efficient and well run. This is the thing that really excites workmen to work harder, that spirit does not exist and did not exist a year ago.

Q Does that outline --

A Generally, sir, that outlines the problem as I see it.

Q Now, Mr. Cooke, have you given us the names of the people who

2-BB-33
F. S. Cooke - Stevenson Ex.

Q (continued) you think can testify first-hand to the problems as you see them?

A Yes, I have; before I leave though, I would like to say this.

Q Oh, I'm not letting you off yet.

A No, what I mean, before I leave off I would like to say I believe that part of the contribution of the business of the moral in the community and with the workmen is the isolation they feel. I have been over that road now four or five times, five times; I'm going to make a sixth trip over it. I don't know how one would average the cost to his vehicle on each trip over that thing. I know that the first time over I lost a tire and the second time over I lost a muffler and the car I am driving now has less than 2,000 miles on it. It requires a windshield. These are just normal costs and they have an affect on people. I was here yesterday and heard people talking about the commitment to this community and to its people. I checked with my office this morning; there is a copy of Alberta Resources Railway publication, I think it follows the annual meeting of the people who run the railway. There's a letter and article in this publication from Mr. Strom and then there is another article about the new towns that have been serviced, one of them being Grande Cache. That article says, that the ultimate population of this community is to be 6,000; it says that an all-weather road is to be provided for the people from number 16 Highway just west of Hinton through to the town and I would

A (continued) have to call the one I have been over a no-weather road, not an all-weather road. The parts that have been just repaired in the last while have pot-holes in them six or eight inches deep now. And they have only got ten miles out of town. I don't know what is going to happen by the time they get a little further down, the pot-holes will be big enough to lose a car in.

Q You don't know what we western Canadians call all-weather roads.

A Sir, I was born in Saskatchewan when there were no-weather roads and prairie rutted things and I know about gumbo and I know about the western problems in roads; that's not an all-weather road.

Q The publication you referred to, Mr. Cooke, so we can record that?

A I will bring it with me at the next hearing, sir, so that they have it. The Alberta Resources Railway is what it is called. I have not got a date. It was printed by the Commercial Printers and they have got some, a whole raft of attributes about who provided the pictures in that copy and it starts off with the crest of the government on the front of it so I am assuming that it is a government publication. I can't say so at the moment.

Q We'll get it. Now, you mentioned, Mr. Cooke, the insecurity I think that was the expression that was used or something similar to that, and you told us about the promise of certain employment. What would have happened to that promise as you

Q (continued) see it?

A Well, I wasn't present when the promise was made; I can only report what was told me about the promise. And certainly as it affects some 150 people or so that just no longer exists as a commitment; it has failed.

Q You told us there was a problem with respect to the moving grants; there was a problem there. That promisewas not honoured?

A Well, the report that I had was that some received those moving grants as outlined, others received them only when they produced moving bills and to the extent of the moving bills up to the limitation of the rehabilitation grants. Some received less and that, this has altogether disrupted the general understanding that there was a $6,000 amount available to people.

Q And still under this heading of insecurity you indicated that there was some assurance with respect to the housing?

A Yes, with respect to the price of housing and with respect to the availability of the housing.

Q Tell us a little more about the availability?

A Well, some of the people arrived, having been told that housing will be available when the houses weren't ready. And their families were therefore not able to be put into houses except in motels in Edmonton and Hinton. They were - found themselves without the kind of places to move into they were told they would have.

Q You mentioned --

A And the costs also, sir, there was at least one instance where I was told where there was a three or four thousand cost differential for the house style. These houses were laid out in scale form to the employees or prospective employees at that time.

Q You mentioned also in your brief the question of turnover, an exceedingly high rate of turnover. Have your investigations borne this out?

A I didn't; there is a high rate of turnover but I don't personally feel that to be - well, in this community it is perhaps higher than it should be but it is always high in new mining operations. So that I would have to do a closer check on that to see whether it is abnormally high, but under the circumstances that are here with the commitments that were made to the employees, I would have thought it would have been lower had they lived up to those commitments.

Q In this same area has there been any indication as far as you have been able to ascertain as to the kind of mining that would be undertaken?

A It was to be underground long wall mining in most cases the people were talking about.

Q Have changes in mine policy made any differences to the employees in that regard?

A Well, of course, they have opened the strip mining and yes, this has an effect. The underground miners feel that they can get a

A (continued) larger volume of available coal out than can be brought in from strip mining if they use the techniques that they are skilled at. They feel that a greater conservation of the coal resource would be available if the underground mining is used. It is a higher labour intensive industry or method than strip mining.

Q Would the people you represent be employed in strip mining at all?

A Pardon?

Q Would the people you represent be employed in strip mining?

A Oh, yes, we represent all of them.

Q Would the miners who came over here be involved in strip mining?

A Well, they may do; most of those would be recruited though because they are equipment operators of one kind and another, they are mostly recruited here I would think. But others could certainly become qualified as operators of that equipment.

Q Do you have here today any general proposal as to how one might deal with this problem of insecurity other than by saying that certain commitments ought to be honoured or carried out?

A Well, I think, sir, that the tendency at the moment in the view of people is to give the new management an opportunity to demonstrate the changes that they think might come about. I don't think they're over their insecurity at this stage but there has been a pretty significant change in the mine, sir. And I think that that can have some effect. Certainly a better operation of safety and they now have a new safety person here.

A (continued) The men seem to feel there's something can flow from this. I think also the developments that are taking now about the opening of the new seams and so on will indicate to the men there maybe a longer term being looked at than they thought there might have been a month or two ago. So that some of those things might, by the company's actions in the next few months, be corrected. Specifically I certainly think the road needs to be hard surfaced and made into a highway. I think also that it should be looked at the possibility of putting passenger service on the rail line. It seems to me that there could be a regular daily service of mail if it wasn't several days late kind of thing. It is only 90 miles from a major east/west run and only 300 miles from a very large municipality. It seems to me that that airline ought to be looked at. I personally signed one of the petitions to put that in when I was in here last month. And I think it should be available because it would again increase the communications available that people could come and go. In the Town itself I really believe that an effort ought to be made to have secondary industry here and I think this Commission should, if it can find it within its terms of reference, talk to the Alberta Government about the promotion of secondary industry out here. I would rather see us shipping coal to the Yukon where there's a lot of iron ore ready to be pulled off the top of a hill than shipping it to Japan. I don't see why there can't be steel mills in western Canada of significant size. I don't know why we have to ship to Japan our iron ore

A (continued) and our coal in order for them to ship back nice knives at the Esso Stations and Toyotas and so on. I believe we should develop these things here.

Q Tell me this, Mr. Cooke, if the people that you represent were satisfied that the Company had a long-term commitment to substantial underground mining, do you think that those miners who are here now would feel more confident in their job situation and that the moral would in fact come up to something approaching a normal level?

A Yes, I think it might. When you posed the question you said other than commitments which they felt were broken so I left that aside, but certainly, yes, that would. I was trying to deal with other things.

Q Yes; I left that aside because that may be so.

A But certainly if those commitments were looked to and people understood they were to be there and those were renewed in the way that they could accept them I believe the moral would change, yes.

Q Were there some specific concerns with the mine management that you found in your investigation with respect to --

A Yes, sir, everybody mentioned to me the fact that there was very expensive equipment that just sat crated, never been used. People mentioned to me that there were no salvage crews and that expensive pieces of equipment were just destroyed rather than salvaged in movement of the operations underground; they felt this was wasteful. The miners don't feel that their -

A (continued) they are not up to the point where they are trying to see which shift can turn out the kind of tonnage that is in the last shift which is a normal thing for crews of workers who are working in crews. And I think that all flows from these other things. They don't feel they are being made the best use of. I have had miners tell me that they had their orders changed three times in which face to cut on that morning or that shift. Well, half a shift goes while they shift around cables and all the equipment to cut in a different place - no coal cut. The miners like to cut coal.

Q Is there any concern about conservation aspects that you are aware of?

A I beg your pardon?

Q Is there any concern about what one might call conservation aspects. Are the miners concerned about that?

A Yes, I think as I mentioned earlier, they do have a worry that mining won't be carried on in the fashion to take out all of the coal that could be taken out but only that which might be most profitably removed.

Q In your brief, page 9, you make some issue of the fact that at least you appear to me to make some issue of the fact that McIntyre's home building firm was given the first right to buy a house if a miner leaves. Is that contrary to anything in the promises or the representations that you understood to have been made?

A Yes, I think that most of the men - I'm not suggesting here and

A (continued) now that the company was - I think they were not careful enough in explaining what their policy was because the material they had as I read it and have seen the situation, indicates to me that they are moving to the letter of the material. I think the message they gave the miners was really one of security more than one of compulsion and certainly as I know the operations of communities like this, there are periods when a house might be worth a great deal more than what a person might pay for it. The agreements they have won't allow them to sell elsewhere. I don't think that point was made so clear to them as the other side of it and that is certainly it happens in mining communities that the value of houses drop and I think the workers felt that end of it and therefore were pretty satisfied about it, until they got involved. Many of the people who interviewed and came here weren't involved in the house purchase as a normal part of their life expectancy; their life style in Britain is not the same as here. Most people rent. And the purchase of a home and all this kind of thing is a strange thing to them and when they came here and found out some of the other things they felt let down even whether they should have been or not.

Q Was there any concern about the obligation to buy back about its effectiveness or the possibility?

A Well, of course, there's always concern about that. The obligation rests to buy back but, you know, corporations can disappear under extreme economic pressure and that exists.

Q Do you know whose obligation it is to buy back?

A Smoky River.

Q Smoky River?

A Investments which is a subsidiary of McIntyre's.

Q On page 14 you quote from the lawyer who says:

"I am certain that it is clear to all purchasers..."

I am paraphrasing, under the terms it is to create stability in the labour force. Do you object to that?

A No, I don't; as a matter of fact this was part of the whole thing, I think it did have that effect. I think it had the effect of reinforcing the commitment for long-term employment in the minds of people. These long-term arrangements about housing, 25 years to pay off a first mortgage.

Q Does your submission, Mr. Cooke, lead to anymore positive recommendations that you want to put before us other than those ones that you have dealt with, isolation, lack of confidence?

A Not at this time. I think we would like to put forward some further submissions when we deal with the general problem. We have, of course, a resume of some of the things we have asked you to do. We have asked you to thoroughly look into a number of areas.

Q The Commissioners of course have read your recommendations and suggestions; some of them may fall without the terms of reference of this Commission in fact.

A I didn't think that was possible.

MR. CRUMP: May I interrupt here to say, the

MR. CRUMP: (continued) Commission is well aware of the terms of reference and what its authority is.

A I am sure you are, sir.

Q MR. STEVENSON: In looking at those suggestions of yours, Mr. Cooke, there are a couple of items that I would like not to leave open. Can you tell me why, looking at page 24, you suggest that the Commission should look at the construction of the Alberta Resources Railway?

A Well, mainly because there have been difficulties with this. Do you know that it is not in an operating state in some areas at the moment and there has to be a great big rebuilding program there. I think also until that railway was put through here, projects like this weren't considered to be feasible by either public or private segments in our society and it is only that railway that makes it possible. I would like also to suggest, as I did earlier, that greater use of the railway ought to be made for all the people from Hinton to Grande Cache, to Grande Prairie.

Q That is the reason you included it?

A Yes, sir.

Q You don't have any other information that would lead the Commission to believe it came directly within their terms of reference?

A At the moment not; I'm still looking.

Q Number 3, you suggest that inquiries should be made at some.

Q (continued) government departments. Could you tell me what government departments you had in mind?

A Well, I think the two or three, the Mines and Resources - now, of course, they have done some changing around in Alberta and it's a little difficult from my long distance point of view to grasp all of these changes and what they mean. But I think we would like to have looked at those things which would seem to be places from which commitments were made. I refer for example to the publication I mentioned this morning which comes out of the Alberta Resources Railway. I think there have been others that have come out of either the Department of Municipal Affairs or the Department of Mines and I think they need to be looked into in order to find the kinds of commitments that the government has in some way or other made to people and I think when a government publishes something people have a right to depend on that.

Q Are you aware of any other commitments or representations other than what you have told us about; if you want to look and see if there are any?

A I do want to look and see, sir. I believe a commission of this kind is a fishing expedition. I don't think I have any hesitation in asking you to fish.

Q I'm just asking if you know where any of the spawning grounds are?

A Well, I will try to make them available as I find them definitely,

A (continued) but no I haven't --

Q Not beyond what you told us today?

A Only the one or two publications and I will take a further look at them.

Q And we'll hear from you again?

A Yes, sir.

Q I just want to make one comment on number 4 that you mention. Are you suggesting that the coal here in this area could be classed as thermal coal?

A Well, some of it is; obviously they manage to use it for the power plant up the way.

Q That's the plant.

A Well, there has got to be various grades of coal in all seams yes, I did.

Q You know of course that there is a plant that in fact uses coal for that purpose here?

A Yes.

MR. STEVENSON: All right, that's all the questions I have.

MR. CRUMP: Is that your examination-in-chief?

MR. STEVENSON: Yes, sir. Could we adjourn at this point?

MR. CRUMP: Before the cross-examination I think we'll take our usual 15 minute break.

(Proceedings adjourned 11:15 a.m.)

(Hearing resumed at 11:25 a.m.)

MR. SABEY CROSS-EXAMINES THE WITNESS:

Q Mr. Cooke, I would like to ask you a few questions. First of all I would like to commend you for the spirit of cooperation you have shown this morning, unfortunately however that spirit is not shown in the brief which you filed and I must ask some questions on that; nor on the press releases which were released to the Edmonton and Toronto papers before these hearings commenced.

Before I get to the brief itself I would like to deal with two or three things that you have mentioned this morning. Several times you have commented on the bad road, which we western Canadians are used to, would it surprise you to know that there have been the same number of people killed on that road as there have been in the mine?

A No sir, it wouldn't.

Q Dealing with these deaths, and I think we should clear that early, I think you and I both agree that one death is too many, whether it is on the road or in the mine?

A Yes.

Q But to be fair about it, sir, this operation is the largest underground operation in Alberta today, isn't it?

A Yes.

Q Now, sir, you have dealt with relocation very generally this morning, can you -- your brief has mentioned only Mr. Royal as not having received the relocation expenses, can you tell me out of the over 600 employees how many did not get their relocation expense, do you have any statistics on that?

A How many did not?

Q Yes?

A No sir.

Q Other than Mr. Royal?

A I do not know the total 600 or more people who have come through.

Q Do you know if there were a dozen?

A No.

Q Well, sir, do you know if there were any more other than Mr. Royal who did not get this?

A I don't know even that Mr. Royal didn't get it.

Q He got part of it.

A Well that is what you have said. He told me, and others told me that they didn't get what they were told they were going to get and I have no reason to disbelieve that.

Q And how many of them told you this?

A Well of those I interviewed I think there were three who told me but my interviews were limited to some 12 or 14 people.

Q So out of the 12 or 14 you have interviewed three of them told you they hadn't gotten everything they expected to get?

A Yes sir.

Q In those instances where the family stayed in the motels in Edmonton to be fair about it again, sir, the company did pay for those motel expenses, didn't they, that was not the expense of the employee?

A I don't know whether there were expenses involved with the employees or not.

Q Well surely, sir, you recognized that if the employees' family

Q (Continued) stays in a motel in Edmonton there is an expense for that motel?

A Yes.

Q Didn't you check to see who paid for that motel?

A I understood from some of the people that it also cost them money to stay in Edmonton.

Q I see, sir, but my question is, the motel was paid for by the company?

A Yes, I think in every case that I talked to the employees indicated that the company paid the motel bill.

Q Now, sir, you have indicated this morning too that you would prefer the operation to continue by underground mining rather than strip mining because strip mining is not as labour intensive?

A No, I think I said that underground miners had indicated to me that they would like the mine to continue on underground mining because they could get a greater percentage of the coal out by underground mining than you could by strip mining.

Q And did you not also mention that strip mining was not as labour intensive?

A Yes I did.

Q Sir, all of the seven fatalities occurred in the underground mine, didn't they?

A Yes, in number 5 and number 2.

Q Now, sir, you -- the example you have used this morning for the mine management, or mismanagement, is the expensive equipment which is not being used, that is stacked near the gates, and that they have no salvage crews operating to salvage?

A Those were two examples given to me, yes.

Q Sir, did it occur to you that perhaps the desire to get the operation going on an economical basis was the primary objective and that salvage could wait until that was done, did that occur to you?

A Yes, it has occurred to me but the information that I have been given is that one miner for example was required to drive his machine over a conveyor belt and chop it into little bits and pieces. A conveyor belt is a pretty expensive piece of stuff and could have been removed, it seems to me.

Q But you don't know the circumstances in which this occurred?

A Only what he told us.

Q Now, sir, turning to the brief. I must say I am a little confused, and I hope you can help me out on some of these items. At page 9 of your brief, sir, you do agree that the housing that has been provided for the employees was a bargain, am I right?

A I don't think that I could find another mining community where there is better housing available at the prices they can get them at here.

Q Indeed, sir, do you know of any other group in Canada that gets such a bargain?

A No sir, I don't.

Q Do you know of any mining town in North America that has a bargain like this?

A I think I have just said that.

Q Now I think you have outlined in your brief, but you haven't this morning for the commission, and I would like you to do that;

Q (Continued) this bargain that we talked about was basically a no down payment on the home, that is it was a $5,000, or whatever it was, forgivable loan which was to be forgiven over ten years after the first five years of employment and the employee then received a $100 a month housing subsidy, I think that is the way you have outlined it in your brief, is that correct?

A Yes, that is not the original outline to the employees; it was talked about at $60.

Q This housing, originally?

A Yes, originally, and then it was changed to $100. That is a taxable benefit, of course, to the employer.

Q That, of course, is the decision of the Federal Government, not the company?

A Yes, I am not complaining about the company's attitude in this, I think I said that, but I think also it should be said that what the employees assumed was a first mortgage and a second mortgage for the total price of the house.

Q Yes, and it was that second mortgage that is the forgivable loan?

A Yes, providing the employee is there between five and fifteen years.

Q Yes, you have also indicated that where they weren't buying, rents were also paid?

A Yes.

Q You have said that the salaries were attractive?

A Yes.

Q And are attractive?

A Yes, agreed to in our agreement.

Q Yes, sir, and most of the examples that you have used in your brief are people who came from areas that were, to use Mr. Neary's expression, you have quoted, slumping economically, or that had chronic economic problems?

A Yes sir.

Q And indeed where you have given examples some of them were unemployed, some of them were earning 30 pounds, or $75 a week, as against, what do they make here, $200 a week?

A Well I don't think those figures are --

Q Comparable?

A Comparable, because there have been substantial changes in the rate. The rate now would give them $200 a week now but the rate in 1969 I think when these things were published in your own brochures that went to people, I think it was $3.69, or something like that, I could check it.

Q So we can't compare the 1969 salary with today's, is that right?

A That is what I am talking about. $3.62, and, of course, the other thing that is not comparable are the costs that people pay in the two places.

Q Now on that particular point, sir, the matter of costs, what could the company do about the costs that are being charged to the people here in the town? Without making it a company town?

A I don't think it would be better by making it a company town.

Q I probably share your view so let's exclude that possibility. What can the company do about that?

A I think I have indicated that in this regard the company in fact has done very well. What I think they have not done as well is explaining this to the employees, or perspective employees. I think one of the things that really needed to be done was a clear understanding of the kinds of costs that would be met so that the people weren't misled.

Q I see, or misunderstanding?

A They feel misled, and I use that term because that is what they use.

Q Is it possible that they said that they misunderstood?

A I don't know how that should be when you have agents out talking to the individuals --

Q So the mistake is always on the part of the company representatives, is that what you are saying?

A No, the mistake is not always on the part of the company representatives but I think that they have a great obligation to be sure that there is no misunderstanding.

Q Thank you, Mr. Cooke. Now, at page 16 of your brief you have a sentence which intrigues me and I would like to quote it to you. It begins at the bottom of the page:

> "Doubtful employment from one week to the next is in every miner's paycheque."

Now by that, sir, are you saying that the miners don't know whether their jobs will exist from one week to the next?

A Yes sir.

Q Is this despite the activities of the union?

A Yes sir.

Q Well, sir, if a miner only works from week to week and if he

Q (Continued) lives in an economically slumping area what kind of security did they give up to come to Grande Cache?

A The reason that they came here was because it was indicated to them that they wouldn't have that insecurity.

Q Sir, you note that the high turn over in the work forces of the mining communities is commonplace but say that Grande Cache is probably worse; now does that mean it may or may not be worse?

A I means as I have indicated earlier that I have been checking into the actual turn overs and I find some are worse than Grande Cache but they don't have the kinds of attractions that you have made much of here, and that I also make much of in comparison, and this then means to me that the turn over is worse certainly than it should be under those circumstances.

Q Worse than you and probably the company would like to see it?

A Oh yes, certainly.

Q Now, sir, in any event you don't have any comparable statistics such as those the teacher gave us yesterday, you remember he told us that theirs was 6.6 times the normal rate of turn over; you don't have any such statistics?

A Well we would have a very difficult time assessing that because of the different sets of circumstances that apply. I would think that there is no norm as compared to the teaching profession. Teachers contract year by year and they have a pretty regular way of measuring how many of those change during the year in each community. Workers don't contract per year, they come in and if they find it unsatisfactory they leave, or if the company finds them unsatisfactory they leave, and

A (Continued) there is no norm.

Q But, sir, you are not suggesting that records are not kept and that statistics cannot be compiled?

A Oh no, the statistics are available, I am sure in your own employment department, as to what percentage of turn over there is, but it would never come so low as the six per cent that the teaching profession has because it is not a comparable thing.

Q Sir, you would agree with me, would you, that six times the norm is not probably worse, that is obviously worse in spades?

A Six times the norm would be but again establishing a norm is very difficult to set up in the kind of work force that we are talking about.

Q Well to be fair to you, sir, you do note in the brief that the company has made a mighty effort to attract permanent residents, and again this morning you have admitted that this prior feeling of insecurity has improved and I presume you look for further improvement as a company --

A Sir, I said I thought that the elements of change that the company had brought about at the moment are being judged and there could be improvement.

Q All right.

A I haven't said that I felt that there was an improvement at this point and I really find it hard to judge.

Q Sir, I am talking about anticipation?

A Oh the future, I think people always hope for that.

Q Now, sir, on page 13 you refer to an unauthorized strike; you changed that this morning to a stoppage, you used the

Q (Continued) neutral work, stoppage, or wildcat stoppage, pardon me?

A Yes.

Q Now is that an unauthorized or unlawful strike or stoppage of work, is that what the term, wildcat, means?

A No, wildcat means certainly unauthorized by the union and certainly -- I don't know the legalities of it in every case, that can vary.

Q I am not asking you for the legal interpretation, sir, I am asking you what you, the author of this, meant, when you used the term, wildcat, and you have indicated to me that it was one that does not have the union support?

A And it is also one in which the company does not pay workers for the time not worked, and they did in this instance, sir, as a result of an order, and we both know that that is a term that is no longer accurate, and therefore I want to change it.

Q Well, sir, in your brief you suggest that while this stoppage was unlawful it was justified later and that it was over a safety issue?

A I said that, yes.

Q What was the specific safety issue, do you kow?

A I personally don't know.

Q You didn't bother to check that?

A No sir I did not.

Q All right. Sir, may I suggest to you that this arose in these circumstances, that an employee was found to have made an unauthorized entry into the battery charging station where he,

Q (Continued) hopefully inadvertently, caused a shortage or power outage with his lunch pail and he was terminated or at least disciplined, I think terminated. There was this rumor or threat of a wildcat strike unless he was reinstated, which the company refused to do.

The group then raised a safety issue and the district mines inspector was called in; you have identified him as a provincial inspector. He investigated the mine for the complaint and declared the mine to be safe, but the workmen refused to accept that provincial man's decision and went on this unlawful -- I beg your pardon, this stoppage, do you know if that is the sequence?

A I don't think that I would be familiar enough to deal with all of that. There will be others who could deal with that.

Q All right, you didn't check that either when you put it in your brief?

A No, I didn't check all those sequences that you suggest, no sir.

Q Now in the brief, sir, you have referred to this inspector as a former McIntyre Mine manager. Do you mean to suggest something by this reference?

A No, just to identify who he was.

Q Well, does his idenfication as a former mine manager help --

A It should make him qualified to know when the mine is safe or not, and yet it was found later not to be.

Q Well, sir, in any event, do you have any reason to believe that that former mine manager was currying favor with the

Q (Continued) company in his decision?

A Oh no, I don't make any such suggestion as that.

Q And you have no idea of the circumstances under which he left the employ of the company?

A No sir.

Q On this matter of safety, before we leave it, this morning you again indicated that perhaps that was an area that was also improving, or that there was some evidence that it might be improving, there was some anticipation?

A Yes sir.

Q Is the type of thing that you are speaking of, the issuance of these self rescuers, that the company is issuing, to all employees, is that the type of thing you are talking about?

A No, I think more than that. I think where people had been told previously to do things that now when they questioned them in this area they are told to, use your judjment, you know, and I think they feel that the people who are involved know more about it than somebody who just says, you did it, and then something happens.

Q Is this this new mine management that you refer to someplace in your brief?

A Yes sir.

Q Now, sir, if I might turn to the matter of this lay-off that is in your brief, January 27th lay-off, or whatever the date was, is the question of seniority a principle sought for by the unions, generally speaking?

A Yes.

Q You people try to protect your members seniority as they are, I presume?

A No, we try to give people advantages on an impartial basis and the only rule that we have been able really to find up to now is the matter of if somebody is to get an advantage or somebody is to be heard it is the only possible way we have been able to find is the length of service.

Q And that is a significant factor to the employee, of course, isn't it?

A Yes.

Q Now, you have corrected the statement made in your brief, and you have indicated that the company does and did have a policy to pay severance pay, but again, sir, because of the contents of your brief I just want to go through the sequence of this lay-off?

A Yes.

Q First the company, of course, had to make the decision whether or not lay-offs were necessary. It made that decision, based on the traditional basis of seniority?

A You mean who was to be affected?

Q As to who might be laid off, quite. At the same time the company made this decision as to the severance pay which was to be made, and the company then advised the union and the government of the necessity, and of its decision, and that was before any public announcement was made. Now you wouldn't have any knowledge as to whether the government was advised, but you would as to whether the union was so advised?

A Yes.

Q And it was at that time that the union suggested that McIntyre take the voluntary quits rather than the seniority basis for the lay-off?

A Well the union felt that there was no need for a lay-off first. They felt that if the company had put people to work doing certain things that they felt were necessary to be done in any event that the normal turn over would have taken care of the lay-offs, and that was the dispute.

Q Yes, in other words the union felt that the company should engage in a make work project?

A No sir, I didn't say that, I said, things that they felt should be done.

Q I see, such as?

A Well there was a number of corrective measures that they felt should be done in both No. 2 and No. 5 mines.

Q But the No. 5 mine was being closed?

A Yes, I know.

Q Do you know what they were?

A No, I don't know the details of them but I do know that they felt that there was work that should be done. I think you can get that information if you inquire from other witnesses.

Q Yes. Sir, in any event with this, what apparently you and I agree was a very reasonable suggestion that they take the voluntary quits, there were in fact no terminations on seniority, were there, because the voluntary terminations --

A No, there was an agreement between the company and the union that the lay-off would be set aside and the people who were wanting to leave --

Q Yes, and there were enough of those?

A Yes there were.

Q So that there were in fact no lay-offs on the seniority basis?

A Well you would have to take a look at how the lay-off would apply and how it did apply, to find out whether there was a crossing, sir, and I didn't do that.

Q I see, but you would not challenge it if I advised you that there were no lay-offs on the seniority basis, that the voluntary quits were sufficient?

A Well I think both of those statements are not necessarily mutually exclusive.

Q I see, would you explain to me how they are not?

A Well for example if I find out that there is going to be a lay-off and I am say 140th on the list, I decide to quit when I find out that there is not going to be a run down of the list of lay-offs, that voluntary applications are being accepted for quitting. When I see --

Q But, sir, didn't you tell your members that it was going to be on a voluntary basis?

A Yes we did, and as I say, but if I am 140th on the list I could --

Q On the seniority basis?

A On the seniority basis, yes, I could decide to voluntarily quit. I might also have been affected by the lay-off, that is what I am saying, and I haven't checked that, so that really I don't know whether there were people who left who would have been laid off.

Q That is not my question, sir.

A Well that is why I can't quite -- I don't quite understand your question.

Q Well, sir, let me ask you this. I take it that there is no suggestion that the lay-offs were aimed either at union membership or the union executive?

A Oh no, no.

Q Now, sir, at page 15 in your brief you say --

A Let me just further add to that that I think that union membership always takes the brunt of lay-off whether we like it or not.

Q Well they represent the bulk of the work force, don't they?

A Yes, that is right, so when you say they are not aimed at them I don't know of anything you hope to accomplish. I don't know of any strange inference that could be placed on the fact that worker's jobs were disappearing.

Q I am sorry, I have the wrong reference here, I have to find it.

A Yes.

Q Bear with me just one moment.

Now at page 18, sir, you say, and I quote -- this is at the bottom of the page:

> "The lay-off announcement spelled out plainly to Grande Cache people that the promise of a golden life in the mountains would never happen."

You go further and say:

> "The eventual employment level of 1,100

2-HA-17
Francis S. Cooke - Sabey Cr-Ex.

Q (Continued)
now would never be reached,"

Now, sir, quite aside from the fact that those statements refuse to accept the significance of the statement that is in your brief on the next page where you say:

"That in May the company actually began re-hiring,"

and quite aside from the fact that never is a long long time, what evidence do you have to support these rather ominous and dire predictions that the golden life in the mountains will never happen and the eventual employment of 1100 will never be reached?

A I think the sequence here is that it was spelled out to the people of Grande Cache, and I think we heard yesterday what they felt, that it would never come to the expectation --

Q I never heard any evidence like that.

A I did, I think however I am sure that I have heard this from the rest of the people. The company made what seems to be a change in emphasis in their program, more to strip mining and less to underground mining, and I think at that time it did indicate that they were going to have much less work force than they had previously themselves anticipated, I think.

Q That is the, in the immediate future?

A Well I --

Q Well, Mr. Cooke, to be fair about it neither you nor I know what is going to be happening in these mines 15 or 20 years from now, do we?

A I don't know, I --

Q Well of course you don't, and neither do I.

A I don't pretend to, but McIntyre --

Q Well you do here, sir.

A No, no, no.

Q When you say that is never going to be reached.

A I said that the lay-off announcement spelled that out plainly to the people.

Q And said that it would never be reached?

A Yes.

Q Now you are pretending to know and I would like to know the basis for that pretension?

A Because there is no longer a steady growth. The whole of the thing is being set back and the company is going more into less labour intensive kind of mining than it was before.

Q Well, Mr. Cooke, you also predict the New Town of Grande Cache is, I quote:

> "Destined to be a small town not a fair size city."

Now, sir, I recognize that this may not be --

A That is a conclusion that I have drawn.

Q Yes, but how does your prediction square with your observation at page 12 that:

> "For its young age, Grande Cache does have a lot to offer"

How do you --

A Oh it does.

Q Well does it square with that and indeed with the attitude of the people who presented a brief yesterday, one of general

Q (Continued) optimism?

A Well I would say that it doesn't square with general optimism. The Town offers a lot. Anybody who wanted to find a nicer community to look at and live in would have to look a long way, I think, with this kind of a thing, but I don't know that it any longer offers to be a fair sized city.

Q That is the point, you don't know?

A I suggest, sir, that it doesn't. I draw that conclusion based on the kind of thing that has happened.

Q Sir, at page 21 of your brief you say, and I quote, and this is the third paragraph, second sentence --

A Which page again?

Q Page 21.

A 21, thank you.

Q "But our union cannot limit its concern to the employees who are represented directly by the union as bargaining agent."

A Hmm, m-hm, yes.

Q "Ours is a social, community and political organization as well, in the sense that the economic well-being of the workers we organize and that of their families must be defended and represented in many ways, on the job and in the total work force of our country."

Now, Mr. Cooke, that is a laudible statement of objectives, particularly your concern beyond your own union to include the community and the province.

Now, sir, bearing that in mind

Q (Continued) I want to suggest to you that when the No. 5 mine was shut down of necessity, but before any lay-offs were announced to the public, McIntyre suggested this, to the union, first that the No. 2 mine would continue, that is the underground mine, and that is the one that is continuing today. That that mine be operated on a seven day week rather than a five day week and that some, probably 62 of the employees that were to be laid off because of the closure would be used in the No. 2 mine to make up the additional work force for the seven days, but that each employee would thereby still work only a five day week for the normal hours per week, now do you have any knowledge of that happening?

A Yes.

Q Did that happen?

A I have heard that it happened, yes.

Q And that the union refused that?

A The union refused to give up certain conditions in its agreement, it did not refuse to have that operation continue, the company could have done that.

Q Not under the terms of the union agreement, could it?

A Yes they could have.

Q How could they have done that?

A You would have had to pay premiums and a few things but you could have done it.

Q What sort of things?

A We don't have a right in the agreement that stops the operation from operating on Saturday and Sunday.

Q They could have brought in special crews for the two days?

A Sure.

Q I see, and these special crews would then have a five day off and work two days, is that correct?

A Not necessarily, they could have scheduled people so that they scheduled five shifts, if they had wanted to.

Q Scheduled the union employees so that they would work Saturday and Sunday? No, sir, the union wanted Saturday and Sunday off, didn't they?

A Yes, we wanted 5 and 2, yes.

Q Now, sir, do you agree that had they done that it would have meant a greater work force in No. 2 mine?

A Not necessarily.

Q Are you suggesting that the present work force could do the seven day shift?

A Yes.

Q Under the terms of the present agreement?

A Well I think this, that if you want to get into the detailed business of schedules of hours and the crews you would have to get a more expert witness than I.

Q Well you are the only one that I have got now.

A Well I can't answer your question in the detail that you would like. I do know a great deal more about other operations than this particular one and I think you would have to get a more familiar witness than I with those details to be able to give you the kind of information you are really looking for.

Q So, sir, you really don't know what happened?

A What happened?

(Continued on page 168)

Q Yes?

A No I do not know, I only know what I was told, I was not here.

Q Well then, sir, I think there is not much more point in asking you any more questions if you don't know. Presumably you can help me in this area; you have indicated several times this morning that you are going to present a further brief in Edmonton, is that going to be a repetition of this brief or will that be something else? Why the further brief, what is going to be presented in that brief in Edmonton, can you outline that to me?

A We have --

Q Really, sir, what I am asking you is why can't that be presented here in Grande Cache to the people of Grande Cache who are so vitally concerned with it?

A Oh, we believe that the people in Grande Cache are entitled to have a separate talk about the people problem.

Q Yes?

A And that is why we separate these two. If we bring in a general brief with some other submissions in it which were of a more general nature they may tend to submerge these issues which we consider to be very important and that is why we wanted this kind of a brief to be put here in Grande Cache. I think the people of Grande Cache would certainly be aware of, and there would be no way in which we would try to submerge any submissions we make in Edmonton.

Q Mr. Cooke, then do I take it that the matters which are discussed here at Grande Cache will not be repeated in Edmonton?

A There may be some repetition but I would hope not.

Q Thank you, very much, Mr. Cooke.

MR. CRUMP: Thank you, Mr. Sabey. Have you any re-examination, Mr. Stevenson?

MR. STEVENSON: No further questions, Mr. Commissioner.

MR. CRUMP: Mr. Graham, have you any questions of the witness?

MR. GRAHAM: No.

MR. CRUMP: Mr. Patching?

MR. PATCHING: No I haven't.

MR. CRUMP: In view of the statements you just made, Mr. Cooke, I have one. You say that this is a people's brief and I refer you to page 12, the bottom paragraph on that page, and the first sentence, we will not include Mr. Neary's statement. But you say that the parents are worried about the young people and the absence of adequate recreation and other activities for them. Now, have you been throught the recreation center over here?

A Yes, sir.

MR. CRUMP: Isn't that a rather fine recreation center?

A Yes, sir, it is.

MR. CRUMP: Have you seen the school?

A Yes, sir.

Q MR. CRUMP: And the playgrounds?

A Yes, sir.

MR. CRUMP: May I ask what is the basis of

MR. CRUMP: (Continued) this, other than community generated programs?

A Well there are other kinds of recreation than those that are there, and also the business of making the best use of the facilities that are there and seeing that they are actively done. Now there have been improvements in the last little while where some of these things are being made better use of, and there is more spirit about them. I refer to the swim instructor and the team that he has developed, I think that this is an excellent thing and it certainly is going to create a better feeling about it, but the whole business of the cultural side of recreation, arts and crafts and things of those kind needs to be developed further here.

MR. CRUMP: And who do you suggest develop those?

A I think it has to be developed by the people in this community.

MR. CRUMP: Thank you, I have no further questions.

A And I think with encouragement from the province.

MR. CRUMP: I have no further questions, Mr. Cooke, you may stand down, thank you for coming.

(Witness retires)

PHILLIP ROBERT OAKES, sworn, examined by Mr. Stevenson:

Q Mr. Oakes, I understand that you are the president of Local No. 7621?

A That is true.

Q And how long have you been in Grande Cache?

A October, '69.

Q And where had you lived prior to coming to Grande Cache?

A England. I originated from Durham but I spent two years in Nottingham prior to coming to Grande Cache.

Q Were you recuited in Nottingham?

A Yes.

Q And how long have you been engaged in mining prior to coming to Grande Cache?

A Nineteen years.

Q And was that underground mining?

A Yes.

Q And had you had a fairly varied experience in underground mining before coming to Canada?

A Yes.

Q How did you happen to learn about McIntyre Porcupine's interest in recuiting miners?

A I saw it in the paper.

Q In England?

A Yes.

Q And as a result of that ad did you go to a recruiting center or a meeting or something like that?

A Yes, the first meeting I went to it was mainly to sort of -- it was sort of a get together, you know, with the wife and family and -- they were also invited, and they just gave you the basic plans which the company wanted to build.

Q What basic plans were you given at that time, what were you told about the work that you might come to?

A They told us there was a signed contract with the Japanese for

A (Continued) fifteen years, the housing that they had and weather conditions, you know, climate conditions, and they showed a short film on Alberta. They had another film available but through some circumstances, I don't know exactly what it was, they just couldn't show this film on the Smoky River.

Q Who was the company representative there or the company representatives that you remember?

A Gordon Cook, Pete Armstrong, Mrs. David Parks.

Q What was said at that meeting about the future prospects, if anything, for mining in this area?

A Well they told us that they had signed the fifteen year contract with the Japanese and that the long term employment offer was very good. The question was asked from the floor that if the Japanese pulled out, you know, if they broke the contracts, how would we stand, and the company then told us, or the company recruiters told us that this was -- I think it was the biggest known quantity of this coking coal in the world and there was a great demand for it in the future.

Q And that was at the meeting that was held where?

A In Derby.

Q Was there any indication of what kind of mining was going to be employed?

A There was an indication that they were going to use long wall mining.

Q Was there any indication of anything other than underground mining?

A I think in one of the brochures that it did mention something

A (Continued) about strip mining but at that meeting it kept to the specific underground, that they were recruiting for underground miners.

Q All right, and after that meeting did you have some further contact with McIntyre Porcupine personnel?

A Yes, they sent us a letter for an appointment in Derby.

Q Whom did you see?

A Peter Armstrong, I believe it was Peter Armstrong was the only one I saw.

Q And what generally did Mr. Armstrong tell you at that time about conditions?

A Well I think there was a bit of a mix up with my appointment because somehow I ended up with the mechanics, you know, that was getting interviewed. I don't know what happened, there was some mix up, and he basically told us what machines they were using and the conditions, climate, how they ate at the mine, and then there was some of the general questions we asked.

Q What type of mining, was there any reference to the type of mining to be used?

A Yes, they implied that -- I have forgotten this, it was four years ago, but long wall mining was discussed at that time, in fact Fletcher and Stewart were supplying the company with the long wall equipment.

Q Were you familiar with long wall operations?

A Yes.

Q And was there any explanation that this was the kind of

Q (Continued) mining that was going to be used or did you assume that from what you had been told?

A Well my own personal picture was that they wanted long wall men, mainly long wall men.

Q Were the people there asked why they wanted to go to Canada or what interests you had in going to Canada?

A Well my idea was that this was a future for the wife and family.

Q Yes?

A A long term future.

Q Was there any discussion of that with Mr. Armstrong?

A Yes, I believe I did say to him that that was one of the reasons.

Q Did you and your family go to the first meeting, the one with the film?

A Yes -- sorry, just me and the wife went.

Q Now in what ways when you came here did what you find vary from what you had been expecting?

A Well I was -- to tell you the truth I was greatly surprised when I landed in Edmonton and were told it would be two days or so before we would get up to the mine, and the day after landing we got a phone call at the Greenbrier Hotel and were told that Mr. Ray Wallinder would pick us up and we got to the camp about two o'clock in the morning and when I got up the next day, you know, and went out to where we were staying it didn't seem very much of that at all, at that time, and I was deployed to 5 mine and I was a bit surprised at the roof bolting system, that was the first thing that struck us,

A (Continued) you know, the roof supports.

Q Why?

A Well probably because I am not used to it, I am always used to something above my head.

Q What did you find, what was this condition, the roof bolting?

A Well I had never been used to roof bolts to support the roof and that is why I was surprised.

Q Did that give you any concern, other than surprise?

A Yes, at the general outset it did give us concern.

Q In what respect, in what way?

A Well I thought they weren't safe, I thought, surely these can't hold the roof up.

Q Did it?

A Yes, at times.

Q Was that a problem?

A I think at 5 mine it was a problem, there were lots of cave-ins, and at 2 mine.

Q What work were you put to when you first came?

A I went with -- the first week I was sort of general anything, you know, cutting equipment at the mine, and the second week I went on a crew, a Lee Norse crew, second operator to the mine operator who was already there.

Q Was there anything that you were told about your accommodation in England that turned out not to be accurate when you got here?

A No, I don't think so.

Q Did you find, and have you found some problems in mine management of the kind we have heard earlier today?

A Yes.

Q What kinds of problems have you found?

A Well I could go back to one problem, I think it was up at LN7, they were shortening the conveyor belt, and there was a dispute about where the box end was going to be set up, anchored, if you like. I believe that the lad that was on the belt crew wanted to put the box end in a certain place, you know, and the company thought otherwise, and I believe it was after two days that the box end -- the belt end flew down, you know, it wasn't anchored properly, and finally they went back to where, after two days of trial and error they went back to where the lads wanted to put the box end.

Q Was that kind of condition, did that occur on other occasions, that kind of problem, I don't mean that specific one?

A Yes, I can give another one. When I was operating an LN7 miner machine, the boom jack was -- I have got to talk in pit terms here, I am sorry, the cutting heads was lowering off the Lee Norse machine and I reported to the mechanic and to the fire boss and I asked the mechanic how long it would take to fix it and he gave me the figure of four hours, you know, down time, and he phoned out to his superviser, I don't know which one, for information, and they told him to keep the machine going. This machine eventually the heads lowered all together and we couldn't lift the heads.

Q The heads lowered all together and you couldn't lift them?

A You couldn't lift them, and it took us nearly a full shift, a full eight hours to get the machine partly back to where they could work on it, and the next day I found out that I

A (Continued) had to change the valve bank and the stab jack and other various parts of the machine. Steel filings were getting into the hydraulic system and it seized up. Subsequently the machine was down for two full days.

Q So how many shifts were lost?

A Six shifts, six coaling shifts.

Q Tell me, Mr. Oakes, these kind of problems, are these problems that you encountered in other mines and other circumstances?

A Not really, no.

Q Were these isolated incidents?

A No.

Q Could you see any root to this difficulty, could you see where it lay?

A My own personal view was there was no-- from the fire boss laying the deployment at times with his instructions to get to his crew by the time he would give his crews his instructions these orders were repeatedly changed and I think that caused a lot of low morale among the men. I could give an example on that too if you would like.

Q Yes?

A I went into LN7 and the fire boss told us to position the miner in a certain place to produce coal and it is not just moving the miner, it entails LN cables, pull in slack cables for your miner, which we did too. We were just ready to start mining and the pit boss come in and he wanted us to move from this area to another area, which they did do, and then they had two pit bosses and one was sort of above him,

A (Continued) I don't know, now when he come into the district he again wanted to change, and in fact I lost my cool a bit like, and there was a bit of argument there and we did stay in that place but up to then it was nearly 11 o'clock, getting on for lunch time and we hadn't mined any coal.

Q Again is that a problem that you had encountered working in other mines?

A I don't think I have ever had a problem like that.

Q Did you have any personal experience with problems of safety in the mine, such as have been referred to by Mr. Cooke?

A Yes.

Q What kinds of things?

A Well, over-cutting.

Q Over-cutting?

A Well basically we are required to cut 20 feet.

Q Yes?

A But I have been in a place where I have seen, at a guess, this would be a guess because you can't get in to measure, it would be around the 40 to 50 feet.

Q Around 40 to 50 feet, with what result, Mr. Oakes?

A Well the rule is that you can only cut till your cab is in line with the last full line of roof bolts and the result was that the operator was surely into the open ground and the second operator, possibly three men into open ground.

MR. PATCHING: Excuse me, this is 40 feet past the last line of roof bolts?

A Yes.

Q MR. STEVENSON: Is that a problem that you had encountered previously working in other mines?

A No problem.

Q Were there other elements of mine safety that gave you cause for concern?

A I think basically it was that the Coal Mines Act wasn't adhered to. Mining cables that was damaged were taped up and left in the mine for weeks with tape on, they weren't vulcanized or nothing.

Q Why was this, do you know?

A I suppose it was done for cost, a cost basis.

Q Is this mine one in which it is especially difficult to work from a miner's point of view?

A I don't think so.

Q Do you have a very thick seam?

A Yes -- pardon me, but I think your first question I understand is -- I better get sure on it -- what you are saying, is it possible to produce coal economically, is that what you mean?

Q No, I said was this a particularly difficult mine to work in from a miner's point of view, the physical operation of mining?

A No, I don't think so.

Q Is it from your experience a difficult mine to produce coal in, as a miner I am talking about?

A My experience here it has been a difficult mine to produce coal in but my opinion is that it shouldn't be.

Q And what has given rise to the difficulty, as far as you can see?

A Just what I have mentioned prior to these statements, lack of communication between the management and the fire boss on the job.

Q What about between the fire boss and the men on his shift?

A Well the fire boss can only follow orders to a certain extent. If he gets his orders changed, or the pit boss comes in and changes his orders you can't really blame the fire boss if he is told to cut a certain place and the pit boss comes in and instructs him to go some other place.

Q Had you had occasion to express concern about safety to any of your superiors in the mine?

A We have talked, we have had, expressed it mostly at meetings with the company. Mostly the safety committee, they were the guys that got around the table and talked to the company and we left that mainly to the safety committee to express, they do a monthly inspection.

Q Do you recall an incident involving the former mine manager and the use of a shovel and some moving equipment?

A Yes.

Q Tell us about that?

A Well this happened twice actually, the first time it happened was at No. 5 mine. Bill Murray, Ed Schwartzenberg --

Q Who else was there, Mr. Oakes?

A I think Bill Smith, I am not sure of what his position was, I think he was more in an advisory capacity.

Q And what happened?

A Well prior to this this lad refused to clean the box end out while the belt was moving, the prior shift. And we were

A (Con't) putting the miner into position and it dropped on his lad and they asked him to come to the box end and so this guy went back and Bill Murray was on his knees at the box end with a shovel in his hand and he asked Arnold if there was any way he felt that this was unsafe, and his reply was, no as long as you are doing it and I am not. He sent for me and he was still on his knees at the box end and he asked me if I thought it was unsafe and I said to Bill Murray at the time, Bill, are you asking me to do something that all my life I have been trained not to do, and he chucked the shovel down and walked away.

Q Had you encountered this kind of problem in previous experience?

A No, it was always the opposite, it was opposite in the U.K.

Q Mr. Oakes, were there any promises, assurances made to you about the housing in your discussion in England that weren't carried through here, other than it not being ready?

A I'm not quite sure on the prices, the price quotations, but I didn't bring anything with us but I believe, and I could be wrong in this, that the lowest price home was quoted around eighteen thousand dollars but I come out and at that time that we come out without the families and we went on camp and waited until the house was ready.

Q Do you know what the lowest priced house was?

A Twenty-one thousand, I believe.

Q Did you buy a house?

A Yes.

Q Were there any promises, assurances, understandings, from your

Q (Continued) point of view about the allowance for moving, that weren't carried out?

A From my point of view, no, -- you are talking about the thousand dollar grant?

Q Yes?

A No.

Q And was anything said to you about the cost of living here that wasn't borne out by the facts, or the cost of utilities or services?

A It is difficult to go back.

Q No, but you know, you feel some grievance about this, do you?

A I think that there was some mention of a store in town where we would be able to buy things at a reasonable price like, but other than that, no.

Q What was this, who told you this?

A This was in, I think in the first meeting, I think it was referred to, I am not quite sure, but I think it was when Mrs. Parks was asked to go and to give the ladies' point of view to the meeting, they asked her to give the ladies' point of view to the women that was at the meeting.

Q And was there some advice that there was some special arrangement available in Grande Cache?

A I don't think, it might be but I don't think so.

Q Do you yourself know the story behind the October work stoppage, or should I get that from Mr. Bradbury?

A Well --

Q I will call him, Mr. Oakes, I will ask him afterwards.

A Yes I know about it, but I think Arthur was a little bit

A (Continued) more involved with it than me, he was chairman of the safety committee.

Q Do you know anything about the discussions about the possibility of running the mine on seven days?

A Yes.

Q Can you tell us about that?

A I think Mr. Sabey is wrong in his statement. The company did ask us to work the schedule shift. The union then asked them, would there still be 148 hourly employees laid off and the company said, yes.

Q So the union was not interested?

A That is right.

Q Were you part of those discussions?

A Yes.

Q What was your position in the union then?

A Recording secretary.

Q When did you become president?

A June 5th.

Q What is the morale of the miners now as far as you can assess it?

A I don't think we have gotten the morale up to what we want, it is still below par.

Q And what seems to contribute to it being below par?

A I am not too sure, I wish I could put my finger on it; I suppose the company would like to be able to put their finger on it too. I don't know if it is just a reaction of after the events that they haven't gotten over yet or what, or still a feeling of insecurity.

Q When you say after the events, you are talking about the lay-off?

A Yes.

MR. STEVENSON: That is all the questions I have, Mr. Oakes.

MR. CRUMP: Mr. Sabey have you any examination?

MR. SABEY: Mr. Chairman, Mr. Martland would do that, with your permission.

MR. CRUMP: Mr. Martland.

MR. MARTLAND CROSS-EXAMINES THE WITNESS:

Q Mr. Oakes, are there any benefits or subsidies, anything of that sort that you were promised that you haven't received?

A No.

Q And you have been employed steadily since you came out here?

A Yes.

Q And your present plans are to stay here in this town?

A Most definitely.

Q I believe in the brief filed on behalf of the union at page 4 it was indicated that you were previously earning thirty pounds a week, is that correct?

A Yes.

Q And the brief indicates that is the equivalent of about 75 dollars a week in Canadian terms?

A Yes.

Q Did you enjoy an increase over that amount when you first arrived here?

A No.

Q What were you being paid when you first arrived in Canada?

A Three sixty-five an hour.

Q What did that work out to on a weekly basis?

A Sorry, at the time I first came out we were working twenty-one seven.

Q What do you mean by that?

A We were working 21 days on and 7 days off, but at that time most of the guys were working, maybe some of them working the full month, so there would be overtime basis.

Q On an hourly basis were you better paid here than in England?

A Yes, we were better paid, but the cost of living it didn't -- it equalled itself out with the cost of living I would say.

Q You mentioned that there was a recession in the coal mines in England, is that correct?

A Well I was working in the north of England and I moved from the north of England because the pit I was working at was uneconomic, it hadn't closed, in fact it is still going, but when I went to the Midlands, I went to Beavercotes Colliery and they were experimental mining in rough face, and after four or five months there they shut the faces down and they went into development, this was driving headings to the boundary to prepare for a long wall retreating system, so I was feeling a bit, you know, is this going to go?

Q You were a little unsure about whether it would succeed?

A Yes.

Q And that was one of the factors that influenced you to make another move?

A Yes.

Q Now you discussed several incidents of what you felt were mismanagement here, would you agree with Mr. Cooke that there has been some improvement in that area of late?

A I would say, yes.

Q There is more competence now in the management that exists at present?

A I would think so.

Q One of the incidents that you mentioned that involved amongst others Mr. Bill Murray, is that right?

A Yes.

Q Is he still with the company?

A No, he is finished.

Q You also mentioned with regard to the seven day work week aspect that the company has said that even if the seven day shift were put in that the same number of people would be laid off?

A True.

Q Who were you talking to from the company when that was said?

A Bill Murray, Mr. Richardson, Dave Nelson was there, I think.

Q Do you know specifically who said that, or what the contents of the conversation was?

A We asked them if it would make any reduction in the lay-off and they stated quite categorically that the 148 hourly employees had to go, that the company were cutting down. They said 148, that was the figure given, not 143.

Q And as far as the seven day business was concerned there would be no change as to how many were laid off?

A That is right.

Q Was that specifically discussed or did you just get that impression from what was said?

A No, that was discussed.

Q The question was asked and the answer was given.

A Yes.

MR. MARTLAND: I have no further questions, Mr. Oakes, thank you very much.

MR. CRUMP: Thank you, Mr. Martland. Have you any re-examination, Mr. Stevenson?

MR. STEVENSON: No, sir.

MR. CRUMP: Mr. Patching, have you any questions?

MR. PATCHING EXAMINES THE WITNESS:

Q Perhaps I could just ask Mr. Oakes if he thinks that some of the unease amongst the miners was because many of them had come from long wall mining operations and when they arrived here they found soon that they were converting to continous miner type of operation and they wouldn't be as familiar with that, would that be one of the reasons?

A Yes, I would like to say that I think that it was obvious that most of the guys thought they were coming to a long wall system and I don't believe the company itself had any real experience in this type of mining and it was virtually the blind leading the blind.

Q And I expect that you found the ground conditions quite different here than you would in the Midlands or those in Nova Scotia?

A That is true as far as the Midlands was concerned. I cannot

A (Continued) say anything about Nova Scotia.

MR. PATCHING: Thank you.

MR. CRUMP: Any questions, Mr. Graham?

MR. GRAHAM: No.

MR. CRUMP: Thank you very much, Mr. Oakes, for coming. You may stand down now.

(Witness retires)

MR. STEVENSON: I would record, sir, that Mr. Oakes, together with these other people from the mine, are here under subpoena issued by the Commission.

GERALD N. FARMER, sworn, examined by Mr. Stevenson:

Q Mr. Farmer, are you also employed at the mine here in Grande Cache?

A Yes.

Q When did you come?

A September 23rd, 1969.

Q Were you one of the first miners to arrive here?

A Yes.

Q And where did you come from before you came to this country?

A Nottinghamshire in England.

Q Were you recruited from Nottingham?

A Yes.

Q What experience did you have in the mines in England?

A Twenty-four years.

Q All underground mining?

A Yes.

Q And how did you learn about McIntyre Porcupine's interest?

A Through an advertisement in the local newspaper.

Q Did you go to a meeting?

A Yes, at Derby.

Q The same kind of meeting that Mr. Oakes has described?

A Yes, exactly the same kind.

Q Was it the same meeting?

A No.

Q Who from McIntyre was present at the meeting that you attended?

A Mr. Gordon Cook I believe and I think Peter Armstrong.

Q And what was told to you at that meeting about the conditions that you might expect here?

A Well we were expecting -- well they told us two years would be the worst period and once over the two years it would be all right, a settling down like, you know, but not much more, only just regarding the housing, the price of the housing. The cheapest house mentioned to me at eighteen thousand dollars and the highest priced one at twenty-one thousand dollars.

Q At the meeting you attended, let's go back to the first meeting, was there any discussion on the part of McIntyre people as to the length of the employment or the prospects for employment here?

A Yes, it was just mentioned that they had a 15 year contract with Japan and our jobs would be secure for 15 years.

Q Were you told that?

A Yes.

Q Was that a concern to you?

A It was a concern to me because I didn't want to get over here for two or three years and then be out of work, you know.

Q Did you have a family?

A Yes, three children.

Q Did you have a further interview with McIntyre personnel?

A Yes, when I eventually signed on for McIntyre, Mr. Gordon Cook signed me on at Derby.

Q And what subjects were discussed there with respect to the conditions you were to expect here?

A Well just regarding the housing, you know, he did say we may have to wait a while for the house to be complete and he explained to me about the subsidy that there would be on this sort of a housing program, and more or less he just asked me when I could be available to get to Grande Cache.

Q Now, Mr. Farmer, what promises, assurances or advice with respect to the housing did you find to be inaccurate when you got here?

A Well just the cost of the house more than anything.

Q You understood that the houses ran between what figures?

A Eighteen and twenty-one thousand.

Q And what did they in fact run to?

A Between twenty-one and twenty-six thousand.

Q Now, did you have any discussion with Mr. Cook when you signed up about the prospects for the term of your employment?

A Not too much, no, we were just talking more or less about long wall, you know, and how it would eventually go in Grande Cache because they fully intended using long wall systems here.

Q Were you experienced with long wall mining?

A Yes.

Q And were you asked whether you were experienced with long wall mining?

A Yes.

Q Did Mr. Cook discuss long wall mining with you?

A He did, yes.

Q And when you came here was the obvious intention to proceed with long wall mining?

A Yes, the equipment had already been ordered, in fact I think it was already stored down at McIntyre at that time, from Fletcher and Stewart.

Q I understand that the long wall operation was abandoned at some point, when was that?

A I couldn't rightly tell you the date but the long wall operation in my honest opinion would have succeeded if it had been worked properly.

Q Did you -- let me ask you a question that was asked earlier -- did the change from long wall to continuous mining cause you some upset or disturbance, did this bother you or were you capable of working in both areas?

A No, it did upset me because you have been a long wall miner for quite a number of years and you come into something strange you have to re-adjust. For some fellows it is okay you can re-adjust quick, you know, but quite a few of the lads that had been used to long walling it takes them quite a long while to adjust.

Q Did you find that you could make the adjustment?

A I adjusted pretty quickly, yes.

Q Were there problems in the operation of the long wall that you could see and diagnose?

A Yes, and it was explained to management the problems as well, I think if they would have taken some advice from the men that had been long walling for years the long wall would have succeeded.

Q What kind of problems are you talking about?

A Well you get a district like a long wall district, it is made out in two roadways and the long wall block follows down the two roadways, only in this case it was following back on two roadways, it was on the retreat. The left-hand side of the roadway was all pillars of coal and McIntyre saw fit to rip all these pillars out on the left-hand side, therefore throwing the whole weight over on to the long wall block so that the coal was actually, and the roof was actually broken out before we arrived at it, with the long wall machine, therefore making conditions hopeless. If the pillars had been left the long wall would have gone straight through. My honest opinion that is a long wall mine.

Q Had you actually experienced working in those conditions?

A Yes.

Q In England?

A Yes, almost the same type of condition but not as thick a seam, you know.

Q Did that make any difference to the operation of the long wall, the depth of the seam?

A I doubt it very much, no.

Q The method that was originally employed was what is called a

Q (Continued) retreating long wall?

A Yes.

Q Had you worked retreating long walls?

A Yes.

Q Did these conditions which you have described to us affect the safety of the operation?

A Yes it did because all the roof was broken up by the, you know, after they had pillared out the left-hand side and the weight had been thrown across-- what we call weight is thrown across, when you get a pitch in seam the weight is all tending to come downhill so they take all the left-hand block away and all the weight comes down on to the pillar, the one you intend mining, therefore the roof is already broken up when you get to it.

Q I see. What representations were made to management about this?

A Representations were made to Walter Mueller who was in charge of the mine at that time, regularly.

Q Do you know why the pillars were removed?

A I have no idea whatsoever, no.

Q Would this not be normal practice?

A It wouldn't be normal practice when you work in a long wall. When you work in a long wall the pillars at each side must stand until your long wall is through and then they could have drawn the pillars from the left-hand side later; but his words to me at one time were that they fully intended to get in these miners, the continous miners into the block of long wall coal, so it may have had some purpose there.

Q What kind of purpose?

A Well he has not got much faith in long wall systems, he had always been used to the continuous mine operation.

Q Who was this?

A Walter Mueller, he was in charge of the mine at the time.

Q Well, Mr. Farmer --

A And there was a good block of coal, the long block wall was, and easy to get, and so I am thinking that he would be thinking in terms of continuous miners could eat the coal quite quick, you know, instead of long wall.

Q Did you have any problems with respect to a moving grant or resettlement grant?

A No.

Q Were there any promises made to you with respect to cost of living, or utility cost, that weren't borne out when you got here?

A Yes there was one thing that was mentioned previously about the discount stores. In fact there is a reading on McIntyres themselves here. It states, furniture and appliances, certain local merchants have agreed to make available to employees a wide range of household furniture, appliances and equipment at discount prices. The company will provide the names of those merchants on request but does not necessarily recommend those specific outlets to the employees.

Q What are you reading from?

A I am reading from McIntyre's own employee relations policy and company benefits.

Q Perhaps we can identify this and we will get copies of it.

Q (Continued) Dated May 1st, 1969, employee relations policies and proposed company benefits for hourly paid employees from England.

Were there any local merchants offering household furniture, appliances or equipment at discount prices?

A Discount prices, yes, they were offering discount prices but their discount prices and the price in Edmonton was quite wide apart, it was cheaper to buy furniture in Edmonton than to come to Grande Cache to get it.

Q Dependent on your definition of discount prices, was it?

A Yes.

Q How did you get that document, Mr. Farmer, how did you get that document?

A This document?

Q Yes?

A I think they sent it to me as a matter of fact. I can remember getting one but mine must be misplaced somewhere. I believe every employee got one of these at one time.

Q Did you see that document, or a similar one in England?

A No, not the same one.

Q But a similar one?

A Similar, perhaps similar to that, yes.

Q With that kind of wording in it?

A Yes.

Q Were you involved in the discussions about the extra work proposed at the time of the lay-off, the seven day operation?

A Yes I was.

Q Your position in the union then was what?

A Local president.

Q With respect to the proposed seven day operation?

A The discussion was that we asked them if we went on to a seven day schedule that they were asking for, would they consider keeping the 148 men due for lay-off on the books, and the answer was, definitely no, and we already had a five day week agreement with the company and taking it back to the membership no way would they move from five day after they already found out that it wouldn't affect the lay-off at all.

Q With whom were these discussions?

A Mr. Richardson, Mr. Murray, Dave Nelson, and I do believe Mr. Fulton was there as well.

Q Was this when the lay-off in January was announced, or when you were told about it?

A This was during the talks in the 48 hour recession between lay-offs.

Q How much advance notice did the union have?

A Forty-eight hours.

Q You as president?

A Yes. We were told on the Tuesday morning that the Wednesday midnight shift would not be on, but in actual fact they did keep them on.

Q Did you have any personal involvement yourself in the work stoppage that we heard of referred to last October?

A Yes, regarding the Labour Board and the inquiry into it, you know, I am pleased that you said, lay-off, as well, it was

A (Continued) definitely a lay-off.

Q What was your involvement there, Mr. Farmer?

A Well I was involved to the point that we had already been in to see Mr. Fulton regarding the lay-off as well and asking him if he would let attrition take its course the 140 odd men go through attrition.

Q This was in January?

A This was in January -- oh, you are talking about last October?

Q All right, let's exhaust January. This was your discussion with Mr. Fulton in January?

A Yes.

Q Generally what was that discussion, the matters that concerned you?

A That discussion was that we asked him if he would accept that the 148 men could stay on and we would pillar back from No. 5 mine and really make it pay in No. 5 mine because pillaring work is a lot more efficient and productive than the ordinary heading work, but his answer to me was that No. 5 must close down, that was it.

Q Did the miners feel that there was still work in No. 5?

A Yes.

Q Doing what?

A In pillaring back, what we call pillaring back. All the pillars are made and all they have to do is pull the coal as they come back towards the entry.

Q Now you heard Mr. Oakes' evidence about other work that could be done, is this some of the work that you were talking about?

A Yes, definitely.

Q It was the pillaring out of No. 5?

A Every man could have been employed, yes.

Q And what was Mr. Fulton's response?

A Mr. Fulton said, no way, No. 5 closes down, the men must go.

Q Your proposal was to let normal attrition take its course?

A Yes, because at that period we were averaging close to 40 men a month leaving the place, you know, and in a three month period it possibly would have taken care of the men they wanted to lay-off in any case.

Q Why were they leaving, was there any particular reason we can put our hand on as causing this turn over?

A We have had this sort of a turn over right from the word go, right from 1969. Actually over eighteen hundred men have gone through McIntyre's books in that period. From 1969 up until today over eighteen hundred men have come and gone from Grande Cache, so it was nothing really new.

(Hearing adjourned at 12:58 p.m.)

(Hearing resumed at 1:10 p.m.)

MR. CRUMP: Ladies and gentlemen, we have a small problem of logistics here, particularly with the Court Reporters and their recording of the proceedings. We have decided that Mr. Stevenson will finish the Examination-in-Chief with Mr. Farmer and then Mr. Farmer will stand over until tomorrow morning for Cross-Examination, and the other witnesses, of course, will have to be here tomorrow as well, so will you carry on and finish the

2-IIA-53
Gerald N. Farmer - Stevenson Ex.

MR. CRUMP: (Continued) Examination-in-Chief, Mr. Stevenson.

Q MR. STEVENSON: All right, Mr. Farmer, we want to discuss the events of the lay-off in January. When were you first contacted as to, or anyone in the union, as far as you know, contacted, with respect to the proposed lay-off?

A I believe on the Tuesday morning before the lay-off. I cannot exactly remember the date.

Q It doesn't matter --

A But it was a Tuesday morning and we were informed that the Wednesday midnight shift would be the last shift on.

Q Would that be the last shift on No. 5 mine?

A Yes.

Q That was the information conveyed to you?

A Yes.

Q And who told you that?

A Mr. Nelson I believe was there, and Mr. Murray, and I believe it was Mr. Fulton that informed us of it.

Q And were you called into the office?

A Yes, we were called in.

Q And who was there on behalf of the union?

A Mr. Oakes, I believe Mr. Neary, Mr. Royal, and I do believe Mr. Bradbury as well -- no, there was at least four anyway.

Q And what were you told?

A We were told that owing to the economic situation that McIntyre were in that they would have to consider closing No. 5 mine down as from midnight shift on the Wednesday.

Q Were you told what economic aspects in particular or was this just a general statement?

A Just a general statement. We already knew that the company was partly in debt, you know, through the grapevine.

Q And were you asked to give any views on this or any comments?

A No, but then I had already had it brought to me by membership -- no, that was following that -- following that we went in to see them again Wednesday. All right, let's get the Tuesday?

A On the Tuesday night we had a membership meeting of the local union with about 450 men present and the 450 men were adamant, they were really fed up to the teeth with the company itself, you know, and they were adamant that if McIntyre laid one man off they must consider laying the whole 600 off and this is what I had to report to management on the Wednesday morning.

Q On the Tuesday did you make any suggestions at the Tuesday meeting as to what could be done? Did you say that the mine should stay open or that men could be employed?

A Yes, I asked them to let attrition take its course even on Tuesday.

Q Were you working in No. 5?

A No, I was in No. 2 mine.

Q Did you know the conditions in No. 5?

A Yes.

Q Now on the Tuesday morning was there any discussion of the possibility of running the mine seven days, on the Tuesday morning, the first morning?

A No, not until Wednesday.

Q So you had your union membership meeting Tuesday night?

A Yes.

Q And you have related to us what the membership decided?

A Yes.

Q And on Wednesday did you arrange to see the management again, or had that been pre-arranged?

A No, I think we called the meeting on Wednesday.

Q And who was present at the Wednesday meeting, as best you can recall?

A Mr. Fulton, Mr. Richardson, Mr. Murray, and I believe Dave Nelson.

Q And who was there from the union?

A Phil Oakes, Neary, Royal, and I believe Bradbury at this time.

Q And yourself?

A And myself, yes.

Q And what was discussed on the Wednesday morning then?

A Well the same thing we had already explained to them, to let attrition take its course, the normal monthly turn over, you know, to eliminate the number of men they wanted to move, and we asked them if they would pillar back out of No. 5 mine therefore making the operation economic as well as letting attrition reduce the work force, you know, and get it down to a lower rate; everybody could have been employed but Mr. Fulton's words to me were that No. 5 mine is closed and that is as far as we will go.

Q Who raised the question of working seven days?

A I believe it was Mr. Fulton, but I believe he was under the impression, I don't think he had read the union agreement

A (Continued) either, I think he was under the impression that we were still on a continuous operation where from October of last year we went on to a five day work week.

Q Had you been on a continuous operation?

A Previous to last October?

Q Yes, what is the effect of continuous operation, what do you mean by continuous operation?

A A continuous operation is a seven day working week, you work five and have two off but Saturday and Sunday can't be included in the continuous operation.

Q The change in October, was that under a new agreement?

A Yes, under the new contract.

Q How had it changed from the seven to the five day week, was that essentially at the union's request?

A Yes.

Q Then what was Mr. Fulton's suggestion?

A Regarding the seven day Mr. Fulton suggested that we could possibly go into a seven two, or a seven day schedule, as the schedule would be arranged, but we also asked him if this would mean that the 148 men they intended laying off from No. 5 mine would be employed in this seven day and he said, no, definitely not, the 148 men had to go.

Q And what did you say to that?

A We weren't very pleased about it but we eventually negotiated that the 148 men would be voluntary lay-offs.

Q We have heard that this lay-off then or this reduction was achieved by "voluntary quits,", is that correct?

A Yes.

Q And that was an arrangement you made with the company?

A Yes.

Q And in the circumstances the union was satisfied with that arrangement?

A We were, yes, because there were quite a number of the men that came late and didn't want to leave Grande Cache and there were quite a number that came early and were only too pleased to get away from Grande Cache, so it gave them the chance, you know, it was a balance.

Q Did the union express to Mr. Fulton its concern about the future of the remaining men?

A Well we did, we had expressed to him about the underground operation.

Q What was said by Mr. Fulton, or anybody else on behalf of McIntyre at that time?

A Well Mr. Fulton assured us that there would be underground mining in Grande Cache, there would always be underground mining.

Q Did he indicate for what numbers?

A No.

Q Did he indicate for less than what are now on the labour force?

A No, he didn't indicate any number at all.

Q Did the miners have concern about the opening of the strip mine, the open mine, No. 9?

A There was some concern over it until we heard from Mr. Fulton, you know, early in February that, you know, underground was there to stay in Grande Cache.

Q When was that statement made?

A That was made the same meeting we had on the Wednesday.

Q And at that time you were representing how many union members?

A Around 670 members, including strip mine and underground, everything.

Q How many of your union employees are in the strip mining operation?

A Around 115 to 120.

Q What kind of miners are they, what is their qualification, how would you describe them?

A Well I couldn't tell you anything much about strip mining at all, they are qualified cat drivers, truck drivers, they have all worked in strip mining previous to going to Grande Cache.

Q They are machine operators?

A Yes, they are machine operators.

Q And I take it that this is correct, Mr. Farmer, that your qualifications, and the qualifications of the underground miners do not suit them for strip mining?

A No, no.

Q It is an entirely different operation?

A Entirely different, yes.

Q Were you involved in the October work stoppage?

A Yes, I was.

Q Can you tell us what took place then?

A Yes I can very closely tell you what took place anyhow. Up to that point we had the Coal Mine Act and every time we come to the office over a grievance the Coal Mines Act was thrust into our face, as an executive, and particularly

A (Continued) in Ronnie McIntyre's case over the batteries as well. They wanted to fire the lad, or would have fired him to do with the Coal Mines Act, but we felt that three years, we had had three years of the Coal Mines Act and McIntyre flagrantly breaking the Act, flagrantly breaking it, on many occasions,and yet they come back to it and throw the Act in our face. It was conveyed back to the membership and the membership weren't very pleased at all and so they decided that if McIntyre were going to throw the Coal Mines Act at them that they would take the horse by the reins and use the Coal Mines Act underground. They had already lost six men up to that date and they didn't intend losing any more men and if McIntyre wanted to operate the mine they were going to operate a safe mine, not an unsafe mine, and so No. 5 mine started timbering where it should have been timbered in 1969 right from the entrance, started timbering from there and would not pass that area unless it was timbered, timbered as they went in, and every member of the crews attended work every day and on this sort of a thing when you are timbering in you only need so many men on a crew and so what was happening was they were taking the amount of men they needed on the crew and the rest of the men were being sent home, but they were still attending work every day.

Q And that ultimately was resolved by intervention of provincial authorities?

A Yes, we asked for the mines inspector, the Alberta mines inspector, the head inspector to come in and inspect the place and as soon as ever he saw No. 5 mine he didn't go very

A (Continued) far inside the mine at all, he declared it unsafe to work. No. 2 mine he declared safe and production could go on providing the timbering crews were working timbering while they were producing coal.

Q Do I understand the start of this particular difficulty was in fact related to the proposed discharge of a member?

A It was, yes, but it also had been part of the Coal Mines Act again, once more, and I think the boys had put up with that much over the last three years that they weren't willing to put up with any more.

Q Do I understand that he was to be discharged because he had violated the Act, or its regulations?

A Yes he had.

Q And the union response was that if you will apply the Act we will apply the Act?

A This is right.

Q And that is the circumstances that Mr. Oakes was questioned about?

A That is the one, yes.

Q And ultimately the mine, the union's contention with respect to the contravention of the Act in relation to No. 5 was upheld?

A Yes it was.

Q And the particular thing you complained about was the timbering?

A It was, yes.

Q All right. Now, Mr. Farmer, were there safety problems, and by safety problems I mean unusual safety problems, in the

Q (Continued) mine, up until October of 1969, either No. 2 or No. 5?

A Until October, 1969?

Q October of last year, I am sorry?

A Yes, there were, quite grave problems, but more so in No. 5 than No. 2 mine.

Q What kind of problems?

A Well in No. 5 mine the roof was very much different than No. 2. You get they call slips in the roof, you will get a roof going straight and then all of a sudden it will bounce up and when you bolt into that piece that bounced up it is catching nothing, it is catching nothing of the solid roof so what happens is that the roof slips, even with the bolts in it will slip because it has got nothing in to the solid roof above and we found in No. 5 mine that quite a number of junctions were caving in, and quite frequently, and not just junctions, you would find it on the roadway as well where the slips in the top were,you know.

Q What caused that condition?

A Well it is just the natural roof itself.

Q Were there other problems of a safety nature, unusual problems?

A Yes, there were quite a few, such as mining in gas, we had occasion when a supervisor was mining in gas and deliberately now is our contention as well because he was given a five day suspension for the same mining. You see if it had been any -- normally if it had been a workman he would have been fired for the job, there seemed to be one rule for McIntyre

A (Continued) and one rule for the workmen, one rule for the supervisor and one rule for the workman, and this didn't suit the lads at all either. They would get suspended in quite a number of things, the boys would, but when it came to any supervision, a break in the wall or doing anything, they would just get a light caning and that would be it.

Q Is this unusual in this mine compared to other mines?

A It used to be, yes, it has changed quite considerably over the last few months, two or three months.

Q Is there an improvement?

A There is a large improvement, yes.

Q Are there other aspects, unusual aspects of safety concern that you can tell us about?

A Yes, cutting out of distance, 20 feet is the limit but it has very often gone to 30 or 40 and perhaps 50 feet as well.

Q Why?

A No idea, I couldn't possibly tell you why. I mean the men, some of the men must be as much to blame as the management for allowing it. They know what the distance is, 20 feet.

Q Were there complaints to management that you know about?

A Yes, there were quite a few complaints made. There was one made not too long back about the pillaring in a place called Lee Norse 7.

Q Yes?

A And there was a stretch there for about 45 or 50 feet and for pillaring work this is really bad.

Q And this happened, this has happened on a number of occasions?

A Oh yes.

Q Was there work in No. 5, in your opinion as of the date that closure was announced?

A Yes.

Q Of the kind you have mentioned?

A Of the kind I have mentioned, yes.

Q Mr. Farmer, I think that completes my questions, I am saying to the Commission that I don't want to close my asking you a couple more questions in the morning but I think basically that completes it and it will stand over until tomorrow.

MR. CRUMP: Would you like to question Mr. Farmer further in the morning or wait until re-examination?

MR. STEVENSON: I would just like to reserve that, sir. I think we are ready for cross-examination.

MR. CRUMP: Mr. Farmer, you will come back on the stand in the morning?

A Yes.

MR. CRUMP: This hearing is adjourned until 9:30 tomorrow morning.

(Hearing adjourned at 1:30 p.m.)